

Washington Wants Top Bosnian Serbs Out

Reuters

WASHINGTON — Secretary of State Warren M. Christopher said Thursday that NATO was unlikely to agree to carry out any Bosnian peace agreement that left the current leadership of the Bosnian Serbs in office.

Mr. Christopher, in an interview with ABC television, made it clear that the United States was pushing for the removal from office of Radovan Karadzic, the Bosnian Serbs' political leader, and General Ratko Mladic, the military commander.

Both have been indicted for war crimes by an international tribunal in the Hague.

"We can't really expect that the forces of NATO would be there at the same time those individuals were in a position of power," Mr. Christopher said in the interview taped Wednesday night at Wright-Patterson Air Force Base, outside Dayton, Ohio, where Bosnian peace talks had just begun.

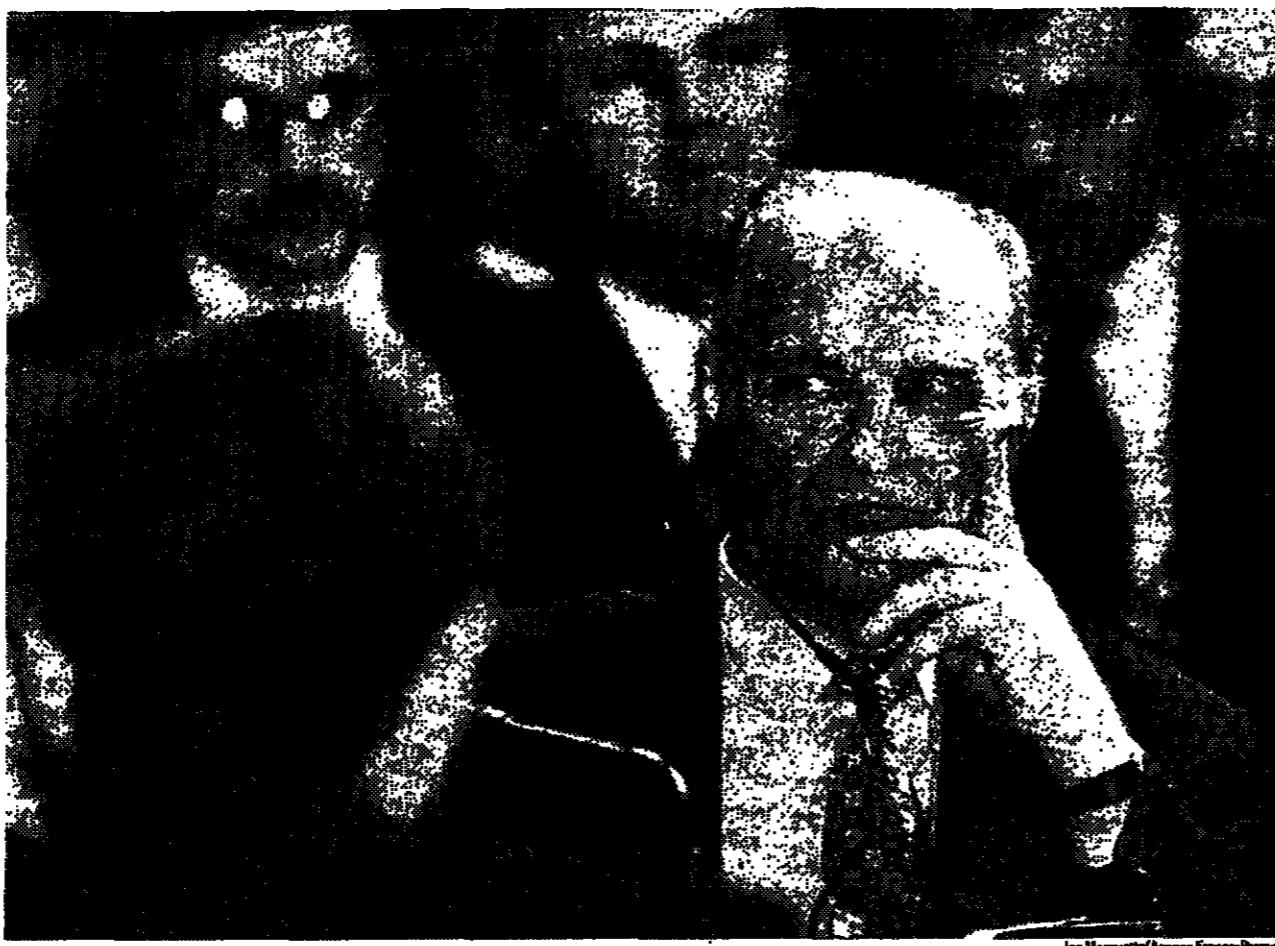
"We think they have no place in this endeavor in the future," he added.

The Yugoslav news agency Beta reported Thursday that Mr. Karadzic and General Mladic would probably resign under the pressure from the United States.

President Slobodan Milosevic of Serbia, who is negotiating on a U.S.-brokered settlement to the war in Bosnia-Herzegovina with the Croatian and Bosnian leaders, was anxious to meet U.S. demands for their removal, said the agency, citing sources close to the Bosnian Serb leadership.

Senior leaders of the rebel Serbs in Bosnia made preparations for the replacement of the main leaders of the self-styled

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President Alija Izetbegovic of Bosnia listening to Secretary of State Christopher at peace talks near Dayton, Ohio.

U.S. Expels Daiwa Over Bond Scandal

Japanese Bank Faces Penalties Of Up to \$1 Billion for Cover-Up

By Lawrence Malkin
International Herald Tribune

NEW YORK — In an action of unprecedented severity, federal bank regulators on Thursday ordered Daiwa Bank Ltd. to shut its U.S. operations as punishment for concealing losses in a \$1.1 billion bond-trading scandal.

Federal prosecutors also accused its executives of a criminal cover-up that could result in \$1 billion in fines.

The actions grew out of losses accumulated by a rogue trader in the Japanese bank's New York office during an 11-year period. Despite the bank's losses, no customers or depositors lost any money during that time, and Daiwa recently announced it was reorganizing its operations worldwide.

But what really aroused the wrath of the Federal Reserve Board, the New York State Superintendent of Banks, and the U.S. attorney, who filed the criminal charges, was that the bank's own loose controls. U.S. officials were angered that the bank permitted the trader to conceal its losses and that when he told the bank's senior executives and the Japanese Ministry of Finance of the violations, they waited more than two months to tell U.S. officials.

Banking lawyers and officials could recall no such sweeping retaliation aside from the case of the Bank of Credit & Commerce International, which was closed in 1991 after widespread losses to depositors after booking nonexistent loans and deposits to inflate profits.

A spokesman for the Federal Reserve Bank of New York said that, over the years, other foreign banks have also been forced to close, but none of this size nor with such potentially huge criminal penalties.

The Osaka-based bank has 90 days to liquidate its U.S. operations in New York and 10 other states. This will proceed under the eye of the regulators, while Daiwa prepares to defend itself against criminal charges that senior bank officials and Daiwa's former New York manager, Masahiro Tsuda, falsified the bank's books and obstructed bank examiners in attempting to cover up the losses of the trader, Toshihide Iguchi. Mr. Iguchi has already pleaded guilty to fraud and embezzlement in losing \$1.1 billion.

Daiwa issued a statement calling the decision to file criminal charges "regrettable and unfortunate" and said it intended to defend itself. Daiwa said it had been "victimized" by its trader and had shielded its losses to protect its customers and the stability of the international banking system.

But there is nothing the bank can do to reverse the regulators' decision to close it down because it signed a consent order with federal authorities, who accused Daiwa of engaging "in a pattern of unsafe and unsound banking practices and violations of the law over an extended period of time that are most serious in nature."

The bank said it would open its books and records and cooperate with investigators, and at the same time it would reorganize by withdrawing to its home territory. "Our greatest strength lies in Japan and Asia," said its new president, Takashi Kaito.

In Tokyo, the Finance Ministry urged Daiwa Bank to quickly make public a plan to improve the management practices that failed to prevent the trader from running up the \$1.1 billion in losses on unauthorized deals.

Government sources said the ministry was preparing to punish Daiwa over the scandal, which has sparked harsh criticism of the bank and the Japanese financial authorities.

Trade Dispute Over Chips Is On Horizon

By Andrew Pollack
New York Times Service

TOKYO — In the opening salvo of what could become a new trade dispute, the Japanese electronics Thursday called Thursday for the termination of the nearly 10-year-old semiconductor trade agreement between the United States and Japan.

The Electronics Industries Association of Japan said the agreement should be allowed to expire in July because it had achieved its purpose. Foreign chipmakers are now "firmly established" in the Japanese market, the association said, so government intervention is no longer warranted.

The U.S. semiconductor industry, however, believes the pact should be renewed.

The agreement does not expire until July 31, so the two governments have not yet seriously discussed whether it should be renewed. However, the U.S. government is expected to push for a renewal, while Tokyo is likely to argue that it should be allowed to expire.

The agreement, signed in 1986 and renewed in 1991, contains an "expectation" that American and other foreign companies would attain 20 percent of Japan's market for micro-electronic chips. That goal has been achieved: Foreign manufacturers held 22.9 percent of the market in the second quarter, according to the formula used by the U.S. government.

The pact, first signed when Ronald Reagan was president, became the model for the Clinton administration's so-called results-oriented approach to trade negotiations. In the automobile trade negotiations this year, Washington pushed for some numerical commitments while Japan resisted, resulting in a fuzzy agreement.

If the White House pushes for a renewal, it might leave itself open to the same charges that it is trying to "manage trade" that it was trying to during the auto negotiations.

While the U.S. side has not decided what it will ask for in a new agreement, it is possible that it will not insist on a specific market-share figure. Washington might instead call for gradual progress in increasing market share for foreign companies. That might make an accord more palatable to Japan.

Norio Ohga, chief of Sony and of the Japanese industry association, said Thursday that market conditions had "changed dramatically" since 1986, and that foreign chips had become "indispensable" in Japan.

Mr. Ohga also said that many Japanese and American semiconductor companies were now working together, and that U.S. chipmakers had recovered their strength since 1986.

To some extent, U.S. semiconductor executives say they agree with Mr. Ohga's remarks. Still, many say the agreement has been effective in lifting foreign companies' share of the Japanese market, and they want that trend to continue.

France Claims to Arrest Chief of Bomb Campaign

By Craig R. Whitney
New York Times Service

PARIS — French authorities said Thursday that they had arrested an Algerian ringleader of the Islamic fundamentalist group behind a wave of terrorist bombings that began last summer. They also said the police had seized a bomb that they asserted the group was going to plant in a marketplace in the northern city of Lille.

The police identified the suspect as Boualem Bensaid, a 28-year-old Algerian student who they said came to France several months ago to coordinate the activities of Algerian terrorist cells based in Lille, Lyon, Marseille, and Paris.

They also arrested 14 other suspects and seized machine guns, grenades, computers

and a gas canister filled with explosives, nails and pieces of metal. The canister was the same design used in earlier bombs that the authorities say the Armed Islamic Group set off to put pressure on France to halt all economic and political support for the militarily-backed government in Algiers.

Interior Minister Jean-Louis Debré identified four of those arrested as either Algerian or Algerian-born French men, ranging in age from 25 to 35 and living in a heavily Muslim suburb of Lille. He said that the police operation had produced more evidence on organized logistical and financial support from abroad for Islamic terrorist operations here.

"The threat remains, more attacks can take place," he warned, calling on the French to show "vigilance and sang-froid."

Algeria's bloody civil war has begun to spread to France through its population of 5 million Muslims, the police say. Seven people have been killed and 180 have been wounded in the attacks that began with the bombing of a commuter train in Paris on July 25, which the Armed Islamic Group later acknowledged as its responsibility.

Mr. Bensaid, the latest suspected organizer of the bombings here, was arrested Wednesday night on the Avenue de Versailles in the 16th arrondissement of Paris to track down those behind the bombings.

Mr. Bensaid was captured as he was giving orders over the telephone to three suspected accomplices in Lille, according to the French newspaper *Le Monde*.

When the police raided an apartment there, they said they found the bomb in it, days before the suspected terrorists planned to set it off with an alarm-clock timing device in the largest public marketplace in the city.

been the main suspect in the wave of bombings until the police killed him and captured two suspected accomplices in September.

More terrorist attacks followed, including one that wounded 29 people on another Paris commuter train on Oct. 17. The government has thrown 35,000 police and soldiers into a nationwide security operation to track down those behind the bombings.

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AGENDA

Politician Dies In Bogotá Attack



DEATH IN FLORIDA — Miami police officers looking at an unidentified man who was killed by the police Thursday while holding 13 children hostage in a school bus in Miami Beach. The hostages were unharmed.

An Old Heresy Finds a Receptive Audience in the Catholic Church

By Daniel Williams
Washington Post Service

ROME — For the Roman Catholic Church, it used to be relatively simple: God spoke to humankind through the mouths of the prophets, of Jesus and the apostles. It's all written down right there in the Bible.

The idea that God's word passed through the mouths of others — Mohammed's, for instance — or through the sacred texts of other religions outside the Judeo-Christian sphere, was unthinkable.

Until now.

An influential Jesuit journal has proposed that God may have spoken through

books as diverse as the Muslim Koran, the Hindu Vedas and Bhagavad-Gita and the sacred texts of China's Taoism and Japan's Shintoism.

The article suggests that such writings represent not mere literature or philosophy, but rather "revelation" — God speaking through man.

The article, a subtle theological argument published in Rome in the latest issue of *La Civiltà Cattolica*, consciously seeks to enhance the Catholic Church's efforts to find points in common with non-Christian religions. It also grapples with the evident fervor and spirituality of non-Christian religions and their texts.

In his travels to places where Christians are in a minority, Pope John Paul II has

gone out of his way to speak respectfully of other traditions, occasionally even quoting their sacred writings. Nine years ago, the Pope organized a joint prayer-for-peace meeting in Assisi, which for a day became a world's fairground of religions.

Because *La Civiltà Cattolica*'s editors are informally censored by the Vatican's secretary of state, expert observers allowed themselves tantalizing speculation on whether the Pope might share the view of the article, published in the form of a collective editorial.

Joaquín Navarro-Valls, the Vatican spokesman, said the Pope had never gone so far as to suggest that God's words resounded in the mouths of Buddha or Krishna. Rather, Mr. Navarro-Valls said,

John Paul holds with the teachings of the landmark Second Vatican Council, which proclaimed three decades ago that "the Catholic Church rejects nothing that is true and holy in these religions."

Gian Paolo Savini, the editor of the journal, said: "Our intent is to help the dialogue among religions, at a time when the Pope is making multiple contacts. We of course specify differences, but also points in common. The world is growing smaller. We hope to change historic hostility into useful discussion."

In his recent book "Crossing the Threshold of Hope," the pontiff hinted at his zest for seeking common ground rather than divisions among world religions. "We should be amazed at the number of

common elements in these religions," he wrote. He also noted that the church is on the lookout for "seeds of the Word" presented in other religions that form a kind of common root.

There was a time when seeing attributes of revelation in other religions would have brought the Inquisition to the door. During its long history, the Roman Catholic Church made war to protect Christianity as the final and complete repository of the word of God. The Crusades against the Muslim "infidels" were perhaps the best-known embodiment of historical antagonism to competing claims.

Times have changed, at least for the

See CHURCH, Page 6

Vera Lynn Raises Her Voice Again for White Cliffs of Dover

Reuters

LONDON — The British wartime forces sweetheart Vera Lynn, famous for singing the praises of the White Cliffs of Dover, sprang to the port's defense Thursday against a possible takeover bid from France.

The 78-year-old singer is helping launch a national campaign to stop the government from privatizing the port, a move that would almost certainly trigger a takeover bid from Calais just across the Channel.

The campaign has already won the sympathy of the Queen Mother, whose husband, the late George VI, was king during World War II.

The White Cliffs especially were such a symbol of hope and home and love and everything that we were fighting for," Miss Lynn said at a news conference, recalling the dark days of the early 1940s when Britain faced a possible German invasion. "The idea that it is no longer in our hands — it just can't be," she added.

One of Miss Lynn's most popular wartime songs promised Britain's victory and a time of peace with the words: "There'll be bluebirds over the White Cliffs of Dover tomorrow, just you wait and see."

The Conservative government has said it wants to offer the port, currently controlled by a local trust, for sale to private bidders as part of its policy of selling off state assets. The mayor of Dover, James Hood, said a French consortium is preparing a bid for the port.

SPORTS

With Monday's editions, the International Herald Tribune expands its coverage of sports.

Every Monday, the back page of the newspaper will be given over to sports, and the section enlarged to bring readers the fullest account of a weekend of competition around the world.

This Monday, the canvas includes the NBA's opening games of the season, the highlights of European soccer, Ian Thomas at the Palais Bercy for the finals of the Paris Open tennis tournament, and Samuel Abt on the road in Beijing for the finish of the Tour of China, Asia's most ambitious cycling race. There's also U.S. college football, the Holyfield vs. Bowe heavyweight title fight in Las Vegas, the NFL (with late Sunday scores in late European editions), the NHL, a complete Monday statistical roundup of matches and league standings, and a diary previewing the week ahead.

A new look accompanies the increased sports content.

William Safire's weekly article on language will appear inside the newspaper while weather maps, forecasts and temperatures move to Page Two.

When Soldiers Sob / A Catharsis, or Comfort to the Enemy

Do Teardrops Stain the Israeli Army's Image?

By Barton Gellman

Washington Post Service

JERUSALEM — Should soldiers cry at the funerals of their brothers in arms? In a country that lost some of its thick skin years ago, that is something of a rhetorical question. Cry they do, rivers of tears, as the nation was reminded one day last week. Six men wrapped in simple shrouds were covered with earth, all killed in the same ambush in southern Lebanon, and friends from their elite Golani Brigade wept into their distinctive brown berets.

But sobbing soldiers are a recent phenomenon here, and some Israelis are asking seriously whether their public tears are seemly or wise.

Thus it was that Shlomo Baum, an aging combat veteran, spoke of King David's biblical stiff upper lip on a radio talk show. When Saul fell on Mount Gilboa, Mr. Baum said, his successor warned his people to keep their grief in check.

"Tell it not in Gath, publish it not in the streets of Ashkelon," David said, as the second book of Samuel records his words. "lest the daughters of the Philistines rejoice, lest the daughters of the uncircumcised exult."

Mr. Baum, speaking on a Voice of Israel program, declared that "King David was a fine strategist. He understood what contributes to a true victory, and he didn't even have CNN."

The point being, Mr. Baum said, that crying soldiers make Israel look weak and give comfort to its enemies.

That is what happened on Oct. 18. Golani soldiers hugged each other for support and buried their heads in each other's shoulders. Both of Israel's mass circulation newspapers ran big front-page close-ups, the faces of the soldiers engulfed in grief.

Many Israelis have no problem with that. By 57 to 30 percent, in a survey released this week, they told the polling firm Geocorps that public displays of mourning do not harm morale. The contrary view was ar-

gued first and loudest by a former deputy chief of the Mossad security agency who now runs Israeli policy on Lebanon.

"When they see soldiers crying, it saps our strength," read the cover headline in the Oct. 20 edition of *Yedioth Aharonoth*, quoting its

Lebanon. They say the Israelis are very, very sensitive about lives, and so the more we kill of them the better. The harm is done by their killing, but a very meaningful additive is showing them how deeply we feel about it."

On Sunday's radio talk show, Boaz

does not add to our collective honor, nor to that of the individual, this new norm of moaning," he said. "It must be stopped."

When the trend first appeared a few years back, during the Palestinian uprising of the late 1980s and early '90s, the military establishment tried to command the troops to dry up.

Lieutenant General Dan Shomron, then chief of the Israeli general staff, "ordered soldiers to refrain from crying at the military funerals of comrades," Yosef Goell wrote in Tuesday's *Jerusalem Post*. "His concern was that repeated televising of hordes of weeping Israeli soldiers on Israeli TV might encourage Palestinian youngsters to step up their attacks."

That worked as well as might have been expected, which was not at all. One reason is that today's conscripts are not the socialist pioneers their grandparents were.

"Myths of heroism" and stoic endurance were essential to a struggling nation, wrote Ruth Malkinson and Eleizer Witztum in a classic study of loss and bereavement in Israeli society. But Israel is a local superpower now, and its kids eat Big Macs and watch MTV.

"We don't feel the need to idealize our soldiers anymore," said Hanochi Yerushalmi, director of student counseling at Hebrew University. "We don't need to think they have to be perfect, ever brave, ever strong."

Some think that is a good thing. Others see it as still another sign that the McDonald's generation has lost its bearings.

Psychologists say the critics should quit sniping.

"There is a clear distinction between the expression of emotions, and weakness," said Amia Lieblich, a psychology professor and author of two books on the emotional impact of war. "This is an overreaction by people who maybe, for themselves, find it very disturbing to see men crying. It is disturbing. But repression and denial are known to have their own price."



Israeli paratroopers embracing during the funeral in Jerusalem for one of their comrades.

interview with the Lebanon coordinator, Uri Lubrani.

"Look," Mr. Lubrani said in an interview, "I just stated a fact. I listen to the broadcasts from the Arab countries and, whatever the reason for this new phenomenon, seeing Israeli soldiers crying is causing jubilation both in Damascus and Tehran."

"I hear the utterances of the leaders of Hezbollah," he said, referring to the Shiite Muslim guerrillas battling Israelis in southern

Mizrahi phoned from Netanya to disagree. "Crying is an expression of pain," he said. "A person has no control over his tears. He cries out of pain because his friends have been laid in the ground. It is an expression of strength that we are willing to cry, to risk the pain, and still continue to fight for our country."

But Mr. Baum, the aging veteran, was having none of it. Time was, he said, when there were stricter norms about such things. "It

Ulster Peace Process Deadlocked as Clinton Readies Trip

By Thomas W. Lippman

Washington Post Service

WASHINGTON — Unforeseen problems in peace negotiations threaten to cloud President Bill Clinton's trip to Northern Ireland at the end of this month, but senior administration officials are discounting speculation in Ireland that Mr. Clinton might scrap the trip if no substantive talks are under way.

The troubled province's leading political figures and representatives of the British government are continuing to discuss how to negotiate and what has to happen before substantive talks can begin, but the parties are expressing fears of reaching an impasse with increasing frequency.

Mr. Clinton met Wednesday with David Trimble, the new leader of the Ulster Unionists, Northern Ireland's biggest Protestant party, in a bid to break the deadlock that has overtaken the optimism of last spring. But Mr. Trimble has proposed an entirely different approach to bargaining over Northern Ireland's future from one being pressed by his Roman Catholic counterparts, and he showed no sign Wednesday of backing off his position.

Mr. Trimble spent almost an hour with Vice President Al Gore and the national security adviser, W. Anthony Lake, the White House said. Mr. Clinton joined them for about 15 minutes. Afterward, the White House issued a broad statement expressing "continued U.S. support

for the efforts of the British and Irish governments and people of Northern Ireland to reach a just and lasting settlement" based on "the consent of both communities."

Mr. Trimble, who earlier this week said Mr. Clinton has failed in his effort to appear "even-handed" in Northern Ireland, said he now thought the president was "anxious to be even-handed." His party promised Mr. Clinton a "warm welcome" in Northern Ireland but also called on the president to follow a "balanced itinerary that gives equal access to the people of both traditions, Unionist and Nationalist."

The president has invested considerable political capital in the quest for a Northern Ireland settlement, beginning with his decision last year to grant a visa to the Sinn Fein leader, Gerry Adams.

But the issues that have inflamed passions in Northern Ireland for more than a generation remain not only unresolved but also essentially unaddressed because of procedural disputes.

Mr. Adams and John Hume, another prominent Catholic leader, have been pressing the British to convene "all party" talks at which all Northern Irish factions and the British and Irish governments would negotiate the province's political future and its ties to Dublin and London.

The British, along with Mr. Trimble and other Northern Irish unionists, are demanding that the IRA first begin to "decommission" its weapons as a sign of its commitment to nonviolence.

In Africa, France Sees Next Economic 'Dragon'

By Barry James

International Herald Tribune

PARIS — Saying that his government is "truly Afro-optimistic," France's minister for overseas development predicted Thursday that sub-Saharan Africa would become an economic powerhouse in the 21st century, rivaling the "dragon" economies of Asia today.

Speaking on the eve of a meeting between high government officials of the European Union and developing countries in Asia, Africa and the Caribbean, the minister, Jacques Godfrain, said that at the same time France was concerned that economic progress could be blown off course by regional conflicts.

The meeting this weekend of

the signatories to the Lomé Convention on development aid will be held on Mauritius in the Indian Ocean, which the government here holds out as a model for development in Africa.

The island republic, independent since 1992, has low unemployment and low inflation. Wage levels, although low by European or U.S. standards, are higher than in most of the developing world because of an economy based on information technology and the development of strong textile, plastics and other light industrial sectors.

Asked if his view of African development was not unduly optimistic, Mr. Godfrain said, "AIDS and Rwanda have given Africa a very bad image, but we say the opposite."

"Firstly, Africa has good-quality economic indicators. Growth is around 5 percent, and trade is balanced or in surplus. Revenue from agriculture, which accounts for 95 percent of production, is good. Inflation is down."

At the same time, Mr. Godfrain added, African countries have largely complied with International Monetary Fund targets of "drastic severity" that even most industrial countries would have trouble hitting.

Mr. Godfrain said Africa was developing a class of young leaders with good ideas and financial skills. "They have the generals and the colonels," he said, "but not the lieutenants."

The meeting, which begins Friday, will examine technical and financial aspects of the Lomé Convention, signed in 1989 and extended last year for five years.

Under the convention, the European Union provides 13.3 billion Ecu (\$17.6 billion) in aid, of which France contributes the largest share — 23.4 percent. This compares with 22.5 percent for Germany and 12.25 percent for Britain,

the next-largest donor nations. Criticizing the United States and Britain for cutting back their aid budgets, Mr. Godfrain said France was maintaining a high level of aid despite economic difficulties at home because of its belief that the investment would pay off.

Thirty years ago, he said, few people would have predicted Asia's present economic success; Vietnam, Laos and Cambodia were at war. Thailand was in the grip of internal conflict, and Malaysia and Indonesia faced the threat of Communist insurrection.

"Today these countries have become dragons, with an annual growth of 7 percent," Mr. Godfrain said. "We think Africa is on the way to becoming the dragon of the 21st century."

The French development minister said it took Europe hundreds of years to evolve into its present system of nation states and 200 years or longer to emerge as democracies.

"We told the Africans 50 years ago to become nations, and they have become nations. We told them 10 years ago to be democrats and they are becoming

democrats. There are elections. I say that justifies giving them as much aid as possible," he said.

Mr. Godfrain said, however, that the French government was concerned that conflicts such as the civil war and genocide in Rwanda could quickly spill over into regional conflagrations with a consequent aggravation of the refugee problem.

The hundreds of thousands of Rwandan refugees in Zaire and other neighboring countries constitute "a time bomb ticking away in the heart of Africa," he said.

Mr. Godfrain said a large part of France's aid was directed at social development and regional planning. However, he added, France's aid is particularly aimed at enabling the rural population to remain in place, rather than swelling the insatiable suburbs of the big cities.

The experts who preached city development 50 years ago were wrong, he asserted, adding that their policies have brought about haphazard growth and social problems such as violence, crime and drugs.

Australia Arrests 10 Protesters

Reuters

SYDNEY — Anti-nuclear protesters in Australia on Thursday disrupted the loading of a French research ship and stopped uranium from being loaded onto another ship.

Ten people were arrested in protests at opposite ends of Australia, police said.

Five people were arrested in Hobart, Tasmania, Australia's southernmost state, after protesters chained themselves to a forklift loading supplies onto L'Astrolabe, which was bound for the heart of Africa," he said.

Maritime workers imposed a 24-hour loading ban on L'Astrolabe on Wednesday.

In Darwin, in the Northern Territory, five people were arrested after chaining themselves to a crane to keep uranium from being loaded onto the Clydebank.

The protesters unfurled a banner reading, "Uranium fuels nuclear threat."

2 Suicide Bombers Die in Gaza Blasts
11 Israelis Are Wounded, Islamic Jihad Is Blamed

By Joel Greenberg

New York Times Service

Strip, and we expect more effective activity by them in areas under their control," he said. "The peace process will be conducted by people who support peace, and the terrorists are trying to destroy it," Foreign Minister Shimon Peres said. "So we shall do whatever is necessary to stop them from achieving their aim."

But Mr. Peres' spokesman, Marwan Karanfani, indirectly blamed Israel, saying that the killing of Mr. Shalqaa had generated a new cycle of violence that produced the bombings.

In the first bombing, a car exploded near a bus carrying child care workers to a Jewish settlement. The bus was attacked shortly after it entered the Gaza Strip on the Kissufim crossing on the strip's eastern border with Israel.

An Israeli military commander said serious casualties were avoided when an army jeep escorting the bus forced the car to the side of the road before it blew up. Three soldiers and several bus passengers were hurt.

A second car blew up a few dozen meters from a bus on a road leading out of the Qatif settlement block. There were no injuries because soldiers escorting the bus had ordered it to back up after hearing the first explosion, the commander said.

TRAVEL UPDATE

Imperial Forum Uncovered in Rome

ROME (AP) — Much of an Imperial forum lost to sight since 1932 has now been excavated, and city officials hope to open it to tourists next spring. The digging out of Nerva's Forum brought to light a corner of Imperial Rome that had been covered over in a rush to finish a boulevard that Benito Mussolini ordered constructed to glorify his Fascist regime.

The Via dei Fori Imperiali is flanked by the Roman Forum and forums from the later imperial era. Tourists can visit the oldest of the public gathering places, the sprawling Roman Forum. But most of the Imperial forums can only be seen by peering down over a railing.

City officials said they hoped that tourists would be able to stroll through Nerva's Forum starting in late spring. The forum, now 6 meters below street-level, is named for the emperor who ruled from 96 to 98 A.D. It was started by his predecessor, Domitian.

2-Day Strike Halts Many SAS Flights

STOCKHOLM (AP) — Talks between Scandinavian Airlines System's Swedish and Norwegian cabin attendants' unions and management broke down early Thursday, forcing SAS to cancel half of its European flights and a third of those in Scandinavia on Thursday and Friday.

Domestic traffic in Norway and Sweden will operate normally, as will most of the Danish domestic traffic. The intercontinental traffic will also be unaffected. SAS said that the two-day strike by the 2,300 cabin attendants would affect about 20,000 passengers and cost the airline 60 million kronor (\$9.2 million).

U.S. Air Traffic Computer Fails Again

CHICAGO (AP) — The main air traffic control computer serving a large part of the Midwest failed for the seventh time in a year, interrupting flights at O'Hare International Airport and other airports across the country.

The computer at the Air Traffic Control Center in suburban Aurora failed twice Wednesday afternoon but was restored to full power about 90 minutes after the first shutdown, said Don Zocher, a spokesman for the Federal Aviation Administration. Air traffic was switched to a backup computer, he said.

Snow fell in Moscow on Thursday, causing traffic jam, and the temperature fell to minus 8 degrees centigrade. At least one person died as a result of the cold.

Winds up to 170 kilometers per hour whipped the Azores Islands on Thursday, as a tropical storm caused power outages and damage to buildings and boats on five of the nine islands. (AP)

Several high mountain passes in Switzerland, including those of St. Bernard and St. Gotthard were closed Thursday after overnight snowfalls of up to 30 centimeters. (APF)

Thai Airways International and Lufthansa will begin operating code-sharing flights between the two countries this winter, airline officials said. Both airlines now fly seven times a week between Bangkok and Frankfurt, and these flights will be the first to be cross-listed, officials said.

Away From Politics

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THE AMERICAS

House Approves Curb on Abortion

Late-Term Intervention Would Be Made a Crime

By John E. Yang
Washington Post Service

WASHINGTON — The House of Representatives has voted by a large margin to make a rarely used technique to end pregnancies in the late stages a crime, the first attempt by Congress to limit abortion procedures since the Supreme Court legalized them more than two decades ago.

Lawmakers on both sides of the issue said the 288-to-139 vote Wednesday marked a shift in the anti-abortion forces' strategy in the wrenching battle over the issue.

"This is the first time that we have had a vote on the 'legalization' of an abortion procedure," said Representative Christopher H. Smith, a New Jersey Republican and a leading abortion opponent in the House. He said anti-abortion lawmakers would "begin to focus on the methods and declare them to be illegal."

Representative Patricia Schroeder, Democrat of Colorado, predicted, "Today's vote is just the beginning of a series of gruesome debates this House will see on abortion."

The vote was one of a string of abortion-related matters before the House this week. The confluence of the votes has made many House Republicans who support abortion rights uneasy about how their party was portraying itself.

"It's a mistake politically," said Representative James C. Greenwood, Republican of Pennsylvania.

A similar bill, introduced by Senator Robert C. Smith, a New Hampshire Republican, is pending in the Senate.

"I suspect there is a significant degree of support for it here, too," said Thomas A.

Daschle, Democrat of South Dakota and Senate minority leader.

Aided by graphic drawings depicting the procedure, which anti-abortion forces call a "partial birth abortion," supporters of the legislation went into great detail to describe it in debate: A woman's cervix is widened and the fetus is removed feet-first until only the head remains in the woman's uterus. A doctor may crush the fetus's skull or suck out the brain to allow the head to pass through the cervix.

The measure would subject

doctors who perform the procedure to fines or up to two years in prison and to civil suits.

Physicians could escape penalties if they prove they "reasonably believed" the technique was necessary to save the woman's life and "no other procedure would suffice for that purpose."

Only two physicians, one in Ohio and the other in California, routinely perform the procedure, according to the National Abortion Federation, which represents doctors, nurses and centers that provide abortion services. Of the 1.5 million abortions done each year, the group estimated only about 450 are done in this manner.

Abortion-rights advocates said the method is used only in cases where severe birth defects — such as anencephaly, the absence of brain development — or conditions threatening the woman's life are discovered too late in pregnancy to use most other techniques. Supporters of the legislation, including the National Right to Life Committee and the Christian Coalition, argue that the procedure is used to perform elective abortions.



The Senate and House Democratic leaders, Thomas A. Daschle, left, and Richard A. Gephardt, discussing the budget. (Courtesy/Reuters)

Clinton Catches 2d Wind on Budget

By Alison Mitchell
New York Times Service

WASHINGTON — Just a few months ago, it would have been all but unthinkable for a White House aide to suggest that President Bill Clinton could be comfortably positioned for the 1996 election even if he and the Congress failed to reach agreement on a balanced-budget plan.

Yet that is what some White House officials are saying as Mr. Clinton has taken tougher stands, like his reported statement to Republican congressional leaders in a meeting Wednesday that they would have to elect a Republican president if they wanted their plan to balance the budget in seven years to be approved intact.

Such tough talk may be only strategic positioning, as the White House gears up for budget negotiations expected to start in earnest later this month after the Republicans approve, and Mr. Clinton vetoes, legislation to save large sums in Medicare and Medicaid, cut taxes and erase the federal deficit in seven years.

Some administration policy-makers, such as Treasury Secretary Robert E. Rubin, are said by other officials to be contending that the nation needs to be put on a path toward a balanced budget and that the financial markets could react adversely if deficit-reduction efforts collapse.

But increasingly, as they measure the public mood, some of Mr. Clinton's aides say the president would have more to lose by conceding too much to the Republicans in a budget agreement than he would by blocking a bad agreement.

"The main thing we think — and it's prevalent around here — is that we want to get our business done, but at the end of the day what we're fighting for is more important than a deal," a White House official said.

"On Medicare, education, the environment, tax cuts — we need to come up in pretty good shape on those issues or the agreement's not worth it."

Even the White House chief of staff, Leon E. Panetta, told Democrats in a meeting on Capitol Hill on Wednesday, "No deal is better than a bad deal."

A few months ago, the tone at the White House was different. Mr. Clinton's political advisers had been charting a re-election strategy that envisioned his striking a deal with the Republican Congress on issues like a

balanced budget and a welfare overhaul, eliminating those issues as ones that Republican presidential contenders could use against him. At the same time, he would stake out his Democratic credentials in such areas as education spending and environmental protection.

But that was before the administration's public campaign against the Republican budget priorities took hold. In recent weeks, polls have shown that Americans strongly oppose reductions in Medicare, the federal health insurance program for the elderly, and that they would rather protect Medicare benefits than balance the budget.

"All the polls show that support for the spending cuts is falling and has been falling fairly dramatically," said Stanley Collender, the director of federal budget policy for the accounting firm Price Waterhouse. "It's forcing politicians to sit up and take notice."

POLITICAL NOTES

Even Tax Enforcement to Be Cut

WASHINGTON — In the business world, a good investment is one that returns more money than the investor puts into it.

With Republicans' emphasis on bringing sound business practices and businesslike attitudes to government, it would seem that putting money into programs that have a net positive return to the government might have strong appeal.

But in the 1996 budget for the Internal Revenue Service, reported out of a House-Senate conference committee last week, congressional leaders are preparing to reduce spending for tax law enforcement by \$200 million.

Legislators are giving tax collectors a bit more money for processing returns, taxpayer assistance and other management functions, as well as a hefty increase in the agency's continuing program of modernizing its computers and other data processing systems.

All told, the IRS's overall budget apparently will shrink by a bit more than \$100 million, and will be more than \$750 million below the administration's request.

"We've got some concerns about our ability to answer phone calls and provide taxpayer service, but clearly the significant reduction is in tax law enforcement," said the IRS commissioner, Margaret Milner Richardson. (WP)

Immigrants Stand Up for English

WASHINGTON — Seven of eight people invited to testify before a Republican-controlled House subcommittee urged Congress to declare English the nation's official language and conduct all government business in that language.

They included immigrants from Hungary, Cuba, India and Chile, who said one of their secrets to success in the United States was learning good English.

"I strongly support keeping English as the only national language, without a second thought," Dr. Geeta Dalal, a Louisiana physician who was born in India, testified at the hearing. "All foreign immigrants are welcome to speak their native language, but they should be taught by their parents."

The only dissenting witness, a lawyer for the American Civil Liberties Union, said the move would violate the civil rights and liberties of Americans who do not speak English fluently.

Four bills making their way through Congress would deny many immigrants equal access to government and restrict government's ability to provide them services, said Edward Chen of the ACLU's Northern California chapter. (AP)

Dole Starting TV Campaign Ads

WASHINGTON — The front-running Republican presidential candidate, Bob Dole, is ready to air the first television advertisement of his campaign, comparing the balanced budget and tax cuts he helped push through Congress with President Bill Clinton's "liberal agenda."

Mr. Dole, the Senate majority leader, does not mention his rivals for the Republican nomination in the 30-second ad, which was to begin airing Friday in three Iowa cities.

"Bob Dole leads the fight against the Clinton agenda," the ad says.

The decision to begin airing ads comes at a time when Mr. Dole's big early lead in Iowa has slipped somewhat. (AP)

Quote / Unquote

Newt Gingrich, the speaker of the House, after a meeting on the budget with President Bill Clinton: "In all honesty, we didn't reach any specific agreement." (LAT)

FBI Seeks Broad Wiretap System

By John Markoff
New York Times Service

NEW YORK — The FBI has proposed a national wiretapping system of such size and scope that it would give law enforcement officials the capacity to monitor simultaneously as many as one out of every 100 phone lines in some high crime areas of the country.

Such a surveillance ability would vastly exceed the current needs of law enforcement officials, who in recent years have conducted an average of less than 850 court-authorized wiretaps a year — or fewer than one in every 174,000 phone lines.

The plan, which needs congressional approval for the money to finance it, would still require a court warrant to conduct wiretaps. Still, the proposed expansion of the government's eavesdropping abilities raises questions among telephone industry executives as to why the FBI believes it requires such broad access to the phone network in the future.

And privacy-rights advocates see the specter of a Big Brother surveillance capability whose very existence might encourage law enforcement officials to use wiretapping much more frequently as an investigative tool.

"A proposal that envisions some form of electronic surveillance for one of every 100 telephone lines would be frightening to many people," said James Dempsey, deputy director at the Center for National Security, a public policy organization in

Washington. "I think law enforcement needs to be honest with the public about what its intentions are."

Generally, FBI officials contend that an advanced, high-capacity monitoring system will be necessary as more of modern life and business — and crime — takes place as voice or computer conversations over digital phone lines.

On digital lines, communications are transmitted in electronic pulses represented by the 1's and 0's of computer code.

Telephone industry executives wonder why the bureau believes it requires such broad access.

Such communications are harder to monitor than those on the old-fashioned analog lines, in which conversations are transmitted as electronic signals corresponding to audible sound waves.

An FBI spokesman declined to elaborate on the bureau's perceived need for the expansion of its wiretapping abilities.

"The full implementation is absolutely essential for law enforcement and public safety," said Mike Kortan, an FBI spokesman in Washington. "We are in ongoing discussions with the communications industry. Therefore, it would be inappropriate to comment further at this point."

The plan, published in the Federal Register on Oct. 16, has not drawn much attention yet outside law enforcement and industry circles. It is the first comprehensive outline by the FBI of the capabilities it will require under the Digital Telephone Act, signed by President Bill Clinton in 1994.

The law was adopted in the closing hours of the previous Congress after the administration overcame industry resistance to the extensive network changes that will be required to permit digital wiretapping. The administration promised the government would allocate \$500 million to help upgrade network.

Whether the law will ever go into effect is an open question, because it requires a federal appropriation, to be paid for out of criminal fines and penalties, that Congress has not yet authorized. The budget legislation now pending on Capitol Hill has no proviso for the digital wiretapping money, although the House budget bill included a wiretapping allocation until last week.

The House measure was deleted after objections from several freshman Republicans, including Representative Bob Barr of Georgia, a former federal prosecutor, who said that he objected to the way the money for wiretapping would be raised and that he had concerns about how the FBI might use such a sweeping surveillance ability.

But some lawmakers say the Clinton administration, which has vowed to veto the current federal budget bill, saw little point in pushing for inclusion of the financing for the wiretapping at this time.

Quebeckers Stay in Parliament But Aim Is Still Secession From Canada

The Associated Press

MONTREAL — Quebec separatists, in a defiant strategy to switch, decided Thursday to remain in the Canadian Parliament despite their defeat in the recent referendum.

They say their purpose in staying in Parliament is to fight proposals aimed at keeping the predominantly French-speaking Quebec in Canada.

The objective of sovereignty is more alive than ever before," said the separatist leader Lucien Bouchard. "It's more important than ever that there are Quebecers who truly defend Quebec."

"There will be an all-out assault," he promised.

Bloc Québécois, which Mr. Bouchard heads, has 53 seats in Parliament and is the largest opposition party. Members of the party consider the latest federal promises to Quebec to be "a decoy."

Comments by Mr. Bouchard and other separatists about attempting yet another referendum on secession have infuriated Prime Minister Jean Chrétien. The federal leader has promised the province new privileges if it stays in Canada but has also warned that he will not tolerate further referendums.

"We cannot play that game where there will be a referendum every six months or a year or two years until they win and after that there will be no more referendums," he said. "Canada has a right to political stability."

"That's my constitutional responsibility and I will deliver, because everybody in Canada is paying the price for that."

Mr. Chrétien has promised that Parliament, controlled by his Liberal Party, will work quickly on political changes that might satisfy Quebec nationalists.

In his speech, he said those changes included formal recognition of Quebec as a "distinct society" and a commitment that the constitution would not be amended without Quebec's consent.

But Mr. Bouchard dismissed Mr. Chrétien's offer Thursday as "grotesque" and not worth discussing. Quebec will negotiate with Ottawa on only one basis, he said: "Equal to equal. The day after the next referendum — which will inevitably be held."

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ML3

In Japan, the Growing Reality of Violent Crime

By Kevin Sullivan
Washington Post Service

TOKYO — First there was the Kobe earthquake, then the poison-gas attacks on the Tokyo subway and the shooting of the national police chief. Gun crimes are up, the banking system is in crisis, and now, as if this year hadn't already been traumatic enough for the Japanese, the police have found 17 dead babies in two suburban apartments.

In two separate cases recently, authorities found the babies wrapped in plastic and stowed away in closets. The police do not believe the two sets of killings are connected, except by this: They believe the babies in each case were killed by their mother.

On Oct. 24, workers at a day care center in an outlying area of Tokyo

found eight bodies, each wrapped in a baby blanket and three layers of garbage bags, then tucked into paper bags.

The bags had been left in a closet 16 months before by a 43-year-old woman who had worked at the center, with a handwritten note promising that she would return to pick them up. Police found two more bodies in a suitcase when they searched the woman's home. She is in custody. Her husband and their two children, ages 18 and 21, also have been questioned.

On Oct. 4, a maintenance worker discovered the mummified bodies of seven babies, individually wrapped in plastic inside a garbage bag, in a closet in an apartment in the Chiba area, west of Tokyo. The woman believed to be the mother of the seven infants died of cancer in June at age

43, and her husband has been missing since August. The police are still investigating both cases.

And they have provided no clear answer to the puzzling question of how a woman could become pregnant seven or 10 times, give birth to all those babies, then have no children around, without anyone noticing and calling police. The 17 bodies are still in police laboratories, and police would not speculate on when the deaths occurred.

The baby incidents follow another mass killing in July, in which six people were found dead in a house in Fukushima in northern Japan. In that case, police said a woman cult leader and four followers beat six other followers to death, apparently in an attempt to rid them of "evil spirits." They have been charged with murder.

one suspect allegedly helped to bear his wife to death.

Only 38 of the Japanese murders last year involved guns, and only 12 of those shootings were not related to organized crime gangs. The Japanese are worried that gun murders went from 30 two years ago to 58 last year, and the numbers are expected to be even greater this year.

A July 30 supermarket robbery in a Tokyo suburb, in which three employees were shot to death, shocked the Japanese so much that many believed the killer must have been a foreigner. "There's a feeling that no Japanese could commit such a vicious act toward a fellow Japanese," a detective said. The crime is unsolved.

Crime specialists in Japan caution against reading too much into the multiple baby killings. They say the

increase in gun crimes is more disturbing in the long run, and the subway gas attack, allegedly by the Aum Shinrikyo religious cult, was more unnerving to the public.

But in the autumn of a year already marred by unusual violence and tragedy, some here see the baby killings as another sign of something being lost, of the once nearly guaranteed sense of personal safety slipping further and further away.

A veteran police officer investigating the Chiba baby-killing case agreed that crime in Japan is at a new level. "This year there have been so many new crimes," he said. "These are very disturbing new crimes, and now we have this case. Putting things altogether, it is possible that the Japanese society is moving slowly toward the United States."

Sect Appeals Tokyo Court Order

TOKYO — The Aum Shinrikyo cult appealed Thursday to the High Court in Tokyo against a district court order that would result in the disbanding of the sect, which has been linked to the nerve gas attack in the Tokyo subway, Jiji Press said.

The Tokyo District Court issued the order Monday to strip the sect of its status as a religious corporation, depriving the cult of tax breaks and other privileges accorded religious groups under Japanese law. Loss of the privileges is expected to sound the death knell for the group.

In announcing its decision, the District Court said that the doomsday cult had damaged the public welfare by producing sarin nerve gas. (APF)

Crisis on Hong Kong Rights Bill

BEIJING — China and Britain ended talks Thursday over Hong Kong's future after 1997 with Beijing repeating a threat to overturn the territory's Bill of Rights.

"I cannot pretend there was a meeting of minds on this," said the chief British negotiator, Hugh Davies. "But I hope the Chinese side will reflect very carefully before taking further steps."

Beijing reserves the right to overturn the Bill of Rights after the British colony reverts to Chinese rule in 1997, its chief negotiator, Zhao Jihua, said after the close of three days of negotiations. China will not recognize the civil rights declaration because London failed to negotiate over its protection, Mr. Zhao said. (Reuters)

Bangladesh Traders Seek Action

DHAKA, Bangladesh — Bangladesh's business community threatened Thursday to stage a 15-minute token work stoppage Nov. 8 to protest the country's political impasse unless there was a swift end to the crisis.

"The fundamental rights of earning our own livelihood are being affected by the present political situation," said Salman F. Rahman, president of the Federation of Bangladesh Chambers of Commerce and Industry.

The federation comprises 135 trade associations and 58 chambers of commerce and industries nationwide. Its representatives have repeatedly warned of huge losses from the frequent calls by major opposition parties for government strikes and stoppages. (APF)

New Hope for Afghan Peace Talks

KABUL — The Afghan government said Thursday that neutral leaders from eastern Afghanistan were ready to work with President Burhanuddin Rabbani for a negotiated end to the civil war that has been raging since April 1992.

"The talks went well," a Defense Ministry spokesman said after returning from discussions with neutral guerrilla factions in the eastern city of Jalalabad.

"They made clear they are willing to help organize a transfer of power from the president to an interim body and said they will cooperate with the peace process by any means," (Reuters)

For the Record

South Korea's Justice Ministry announced that 19 convicted felons on death row were hanged Thursday. (AP)

VOICES From Asia

President Fidel V. Ramos of the Philippines on ties with Singapore, which were strained by the hanging of a Filipino maid in March. "Full normalization still has to undergo various steps." (APF)

Hugh Davis, the British negotiator in the talks with Beijing on the Hong Kong Bill of Rights: "The most important thing is that we are still talking." (APF)

President Suharto of Indonesia, speaking to Roman Catholic leaders: "We hope to be able to maintain religious harmony in the coming years. Only with religious harmony could we achieve our national goals." (AP)

10 Companies Face Inquiry On Roh Fund

Agence France-Presse

SEOUL — Prosecutors investigating former President Roh Tae Woo's secret political fund said Thursday that they had opened an investigation of South Korean business conglomerates suspected of providing the cash.

The country's leading business groups reacted with alarm, calling an emergency joint meeting for Friday.

The prosecutors' move came after they questioned Mr. Roh for more than 16 hours Wednesday on the \$634 million fund.

"We have screened the business lists and will call in the chairmen of about 10 corporations for questioning to determine whether Mr. Roh's overnight testimony was true," said Aha Kang Min, a senior prosecutor.

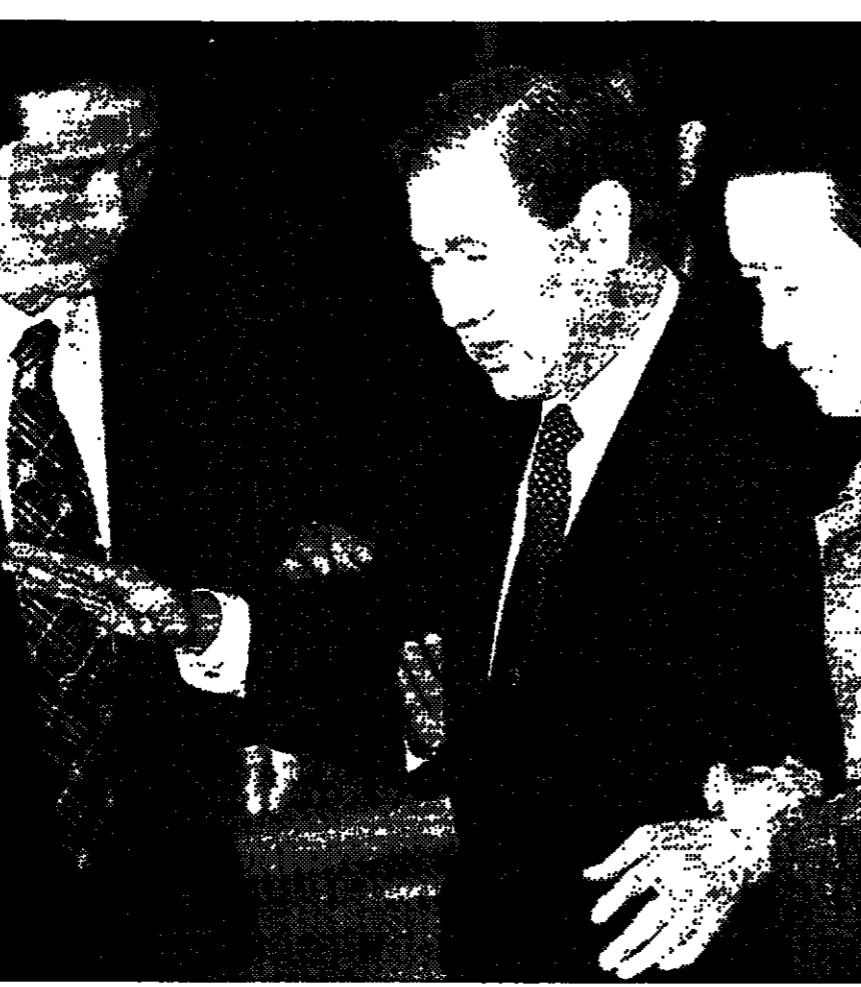
The 10 companies were not named, but reportedly include Sunkyong Group, Dongbang Corp. and Hanbo Group, whose chairman has been charged with laundering Mr. Roh's money.

But the prosecutors said they had not obtained much new evidence from Mr. Roh. The former president appeared to be reeling from exhaustion when he emerged from the Prosecutor General's Office at 2:25 A.M. Thursday.

"I again apologize to the people," he said in a low voice before being helped by aides into a car. "I have to take the blame for everything."

Mr. Roh responded to key questions by saying: "I don't remember" or "I don't know," prosecutors said.

"Mr. Roh said he had received money," Mr. Min said, but added that he "did not name the business leaders who offered the money." Whether Mr. Roh will be summoned a second time will be decided after the questioning of the business executives, who allegedly gave Mr. Roh money in



Roh Tae Woo leaving the prosecutor general's office in Seoul on Thursday.

return for government favors, another high-ranking prosecutor said.

As the investigation expanded to big business despite of Mr. Roh's plea that companies not be involved, the Federation of Korean Industries, a business lobbying group, convened an emergency meeting for Friday. The leaders of companies that had given money would likely apologize and adopt a resolution at their meeting calling for an end to secret political-business links, federation officials predicted.

Meanwhile, Hong Jae Hyong, deputy prime minister and finance and economy minister, said Thursday that the impact from the affair on the nation's economy should be minimized.

"The slush-fund scandal should have no impact on business activities," he said.

A Finance Ministry official told the Korea Economic Daily that business leaders found to have donated money "under traditional practices" or out of "courtesy" would be excluded from tax audits.

U.S. Troop Accord Faces Seoul Review Panel to Look at GI Crime

The Associated Press

SEOUL — Reflecting a growing anger here over crime by American troops, U.S. and South Korean officials agreed Thursday to establish a special panel likely to recommend that the United States hand over troops accused of rape or murder.

Defense Secretary William J. Perry announced the agreement just hours after arriving here for two days of talks centering on the military threat posed by North Korea, whose million-man army and history of bellicosity toward the South are the main reason 37,000 American servicemen are stationed here.

In the Seoul talks, South Korea is expected to demand changes in the legal document governing the rights and obligations of U.S. troops here to meet the South Koreans' demands, so long as the changes preserved "just treatment" for accused Americans.

South Korea wants the United States to turn over suspects in rape and murder cases as soon as they are accused. Under the current system, they are handed over to South Korean authorities until conviction and the completion of appeals.

"There is no permanent peace on the peninsula yet," Mr. Perry said.

Declaring that the two nations were standing together against aggression, the secretary said the U.S. troops in South Korea would remain as

long as Seoul and the South Korean people wished.

Mr. Perry will review the latest security situation on the peninsula in two days with South Korean officials.

He flew in from Tokyo, where he publicly apologized for the rape of a 12-year-old Japanese girl on Okinawa.

Three U.S. servicemen have been accused of the crime.

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"In the years ahead, our two nations should further strengthen our cooperative relationship," he added.

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EUROPE

An 'Ax' in the Works of Monetary Union**Bonn Says Opposition Is Undermining Single Currency***Compiled by Our Staff From Dispatches*

BONN — Opposition leaders in Germany are "swinging an ax" against Europe's future by assaulting the blueprints for a single European currency, a government official said Thursday.

Leaders of the opposition Social Democrats said Germany should not rush into giving up the Deutsche mark for a European currency and plan to make that an issue in the 1998 federal election.

Even though polls have shown for months that most Germans do not want to abandon the mark, it was not a political issue in Germany until the Social Democrats pounced on it this week.

Wolfgang Schäuble, parliamentary leader of Chancellor Helmut Kohl's Christian Democratic Union, portrayed the Social Democrats as a threat to European integration.

"Whoever casts doubts on Germany's loyalty to treaties is swinging an ax against the roots of European unity," Mr. Schäuble said.

The Social Democrats' criticisms, he

said, could force Germany "back to the wretched times of isolated national policies."

Even some Social Democrats question the wisdom of trying to win points among voters by assaulting the Maastricht Treaty, which sets out the conditions for creating a single European currency by 1999.

Christa Randzio-Plath, a Social Democratic member of the European Parliament, said this "new talk" from the party chairman, Rudolf Scharping, and other party leaders was "totally incomprehensible."

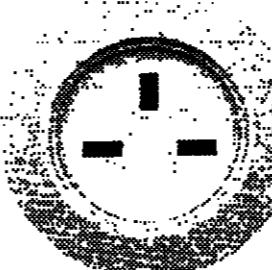
She said currency union was not "some idea" as Mr. Scharping has called it, but "stands for the deepening of European integration on the road to political union."

Mr. Scharping, however, kept up his attacks in a speech in Berlin.

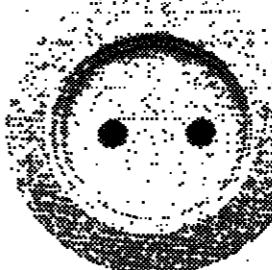
He said it would be "idiotic and dumb" to keep to the 1999 deadline for creating a single currency without guarantees that the new currency would be stable.

German government officials say those

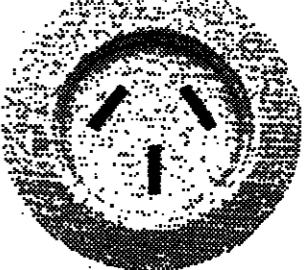
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BRIEFLY EUROPE

Crusading Italian Judge To Launch Own Party*Agence France-Presse*

PERUGIA, Italy — Giulio Andreotti, one of the most powerful politicians in postwar Italy, appeared Thursday at a preliminary court hearing into charges that could lead to a murder trial against him.

The hearing, which is taking place in the high-security prison in this central Italian city, is to decide whether to try the former prime minister on charges of complicity in the 1979 murder in Rome of Mino Pecorelli, a journalist who was investigating government ties to the Mafia.

Germany, France, Britain and Italy have declared their support for Mr. Lubbers should he announce his candidacy. The Netherlands has regularly said he would be a good choice.

Belgium, upset by Mr. Clae's resignation after only a year in office because of a bribery scandal concerning his party when he was a government minister in the 1980s, would go along with whatever others decide.

Greece, Luxembourg, Portugal, Spain and Turkey have kept quiet on the succession, but diplomats said they, too, would probably be happy to go with the prevailing wind.

Denmark is maintaining its support for Mr. Ellermann-Jensen and Iceland and Norway have indicated that they would follow the Danish line.

But Prime Minister Poul Nyrup Rasmussen of Denmark said Wednesday that he would be willing to withdraw his candidate if consensus formed behind someone else.

Diplomats said the United States and Canada, which have kept their own counsel since Mr. Clae's resigned on Oct. 20, had called Mr. Lubbers and Mr. Ellermann-Jensen to Washington for interviews Thursday and Friday for two reasons.

The first was to make clear that North America remains the driving force in the 16-nation alliance. The second was to make sure that neither man had any serious skeletons that could pop out of the closet in the future and lead to another embarrassment for the alliance.

Diplomats said that if, as expected, the United States and Canada found no scandals behind either man, they would probably go along with the majority and support Mr. Lubbers.

Germany Objects To UN's Report On Arms Dealing*Reuters*

BONN — Germany hit back Thursday at critics of its foreign arms sales and branded reports that it was now one of the world's biggest weapons exporters "misleading."

An annual United Nations arms register published Wednesday said Germany had become a major arms exporter, far surpassing France and Britain in most categories and exceeding the leading exporter, the United States, in several of them.

The Economics Ministry said Germany's high total in the register was largely a temporary phenomenon that reflected the selling of weapons from the disbanded army of the former Communist East Germany.

2 Quit Polish Campaign

WARSAW — Two minor candidates in Poland's presidential elections announced they were quitting the race on Thursday and urged their followers to back the incumbent, President Lech Wałęsa, in the Nov. 5 vote.

Leszek Moczulski, leader of the populist Confederation for Independent Poland, said he quit to bolster Mr. Wałęsa's chances against Alexander Kwasniewski, a former Communist.

Bogdan Pawłowski, a businessman who has campaigned for strengthening local government, said he pulled out because Mr. Wałęsa stood for the same values.

French Confer on Riots

PARIS — Prime Minister Alain Juppé called a ministerial meeting Thursday to discuss security in France's troubled suburbs

after the police killing of a young Moroccan man triggered fresh violence.

The meeting was the second in as many days on wide-ranging steps to restore security and improve life in high-rise, immigrant-populated urban districts.

Clashes between police and disgruntled youths have become an almost nightly occurrence in areas hard-hit by drug-related crime and unemployment. In the latest incidents, several dozen youths went on a rampage on the outskirts of the western French city of Laval during the night after a policeman shot and killed a young Moroccan. (Reuters)

Armenia Tests Reactor

YEREVAN, Armenia — Armenia has begun testing the generator of a controversial nuclear reactor in hopes of bringing the plant on line this month, an official said Thursday.

"The turbo generator is going to be under examination for a few days, and by mid-November we plan to connect the reactor to the country's power grid," said Zhamshina Gevondyan, a spokeswoman for the Energy Ministry.

Last week, Armenia restarted the reactor, which had been closed since 1989. (AP)

10 Downing 'Crashed'

LONDON — Security was tightened at Prime Minister John Major's London home on Thursday after a reporter said he was able to walk into the building and up to the door of Mr. Major's private apartment.

Justin Dunn, a reporter for the Daily Mirror, wrote in Thursday's paper how he "gate-crashed" the residence for 18 minutes on Tuesday with a builder who had worked there last summer but failed to return his security pass.

Calendar

European Union events scheduled Friday:

MAURITIUS: Annual meeting of the signatories of the Lomé Convention and signing of the Lomé Convention IV.

PITTSBURGH: European commissioner for relations with the United States, Leon Brittan, attends conference on global security.

Sources: Agence Europe, AFP

هذا من الأصل

INTERNATIONAL

Sweden Searches, Mostly in Vain, for a New Leader

By Fred Barbash
Washington Post Service

STOCKHOLM — The man who has the job doesn't want it anymore. The woman who was supposed to get it got caught in a miniscandal and, for the moment at least, can't have it. Few who could still have it are saying no thanks.

The question is: Who will be Sweden's next prime minister.

"I am a hundred percent sure we will have a good candidate who will be elected" when the governing Social Democratic Party meets in March, the party chairman and prime minister, Ingvar Carlsson, said in an interview.

While it isn't a crisis, a lot has changed in consensus-minded Sweden in recent years. It changed even more in January, when the country joined the European Union. That seminal event and the fierce debate that accompanied it created new splits within the Social Democratic Party that are only likely to widen over the next

decade. Though 52 percent of the electorate approved entering the European Union, the latest polls show that roughly two-thirds now disapprove.

A conversation with Mr. Carlsson, who has been in politics since 1958, suggested that he is proud that he helped lead Sweden into the EU and that he is not worried about the to and fro of public sentiment.

His primary reason for retiring is to spend time with his family, he said, and to enjoy "a different kind of life."

In addition, he said, the accelerated pace of decision-making required in a world of instant global communication did not suit him. "When I started work in the prime minister's office, if you made a mistake you could see that and correct it before it had any dangerous effects. I never imagined how rapidly things could go in the wrong direction," he said, referring to Sweden's economic problems. Sweden's unemployment rate has been hovering around 9 or 10 percent.

The tyranny of the international

markets has become a familiar complaint of leaders around the globe, and Sweden's economy suffered severely when trouble started in the late 1980s, as the bad news of the country's heavy

It is difficult to live up to the expectations that people and the media have for you, Mr. Carlsson says.

spending, rising unemployment and mounting debt was broadcast daily to financial markets around the world, creating only more bad news, more debt and a battered currency.

"I've seen too many political leaders who went on a bit too long and then they had to go," said Mr. Carlsson, 61. "They were all very bitter. I don't want to leave as a bitter man."

The first in line to take Mr. Carlsson's place was Mona Sahlin, 38, the deputy prime minister. Then, in October, she got caught up in a scandal. But as scandals go, this isn't much.

Mrs. Sahlin, who acknowledges her errors and has paid what she owes, abused her government credit card, using it for vacations, household expenses, car rentals and cash withdrawals. Though she repaid the money, plus interest, she often waited months to do so, in effect using the government as a lending house.

"I have erred. I have mismanaged my economy. I'm sorry," Mrs. Sahlin said at an Oct. 17 news conference.

She suspended her candidacy for party chairman and prime minister, pending a full investigation, and so far nobody has claimed the job.

The next person in line, Finance Minister Goran Persson, ruled himself out the day after Mrs. Sahlin's news conference, saying he had confidence in her. "I'm also very keen to keep the last shreds of private life I still have," he said.

he said. Jan Nygren, another high cabinet minister and another strong possibility, also declined.

The Swedish press continues to dig through government records of Mrs. Sahlin's credit card account and other government ministers' as well. Everyone expects more explosive news stories soon.

That sort of behavior by the media is another aspect of 1990s politics. Mr. Carlsson says it is unwelcome and discouraging to those who might otherwise be interested in high office.

"Suddenly, there's not only investigative journalism, but campaigning" by the press, said Mr. Carlsson.

"As a politician, it's become very difficult to get your message through," he said, and very difficult to live up to the expectations that people and the media have.

"What I'm really afraid of is that young people watching this will say they're not going to pay that price," he said. "Many gifted politicians have already said so."

Pentagon Probes Cost of False Data
How Much for Weapons?By Walter Pincus and R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Pentagon may have spent billions of dollars to meet false weapons threats posed by misleading information in secret Soviet documents that the CIA obtained from questionable Soviet agents in the late 1980s and early 1990s, congressional administration sources say.

Questions have arisen over a flow of secret military technical studies that a group of Soviet sources began to deliver several years after other sources were lost in 1985 because they were betrayed by the confessed spy Aldrich H. Ames. Earlier documents ran into the thousands of pages, were genuine and helped U.S. defense planners to better combat the military threat from the Soviet Union.

When the flow resumed, the chief of reports of the Soviet division of the CIA's clandestine service insisted that the documents were legitimate even though he came to believe that some of the new sources for them may have been individuals controlled by the KGB, the sources said Wednesday.

As a result, the documents were passed to the Pentagon and reports sent to the White House and other policymakers with what the sources said was inadequate or nonexistent warning of their possibly tainted origins.

The now-retired officer, who has not been identified, received the strongest reprimand of seven that were disclosed Tuesday by John M. Deutch, director of the Central Intelligence Agency, for what he called the "devastating" and "inexcusable" intelligence failure. The former officer has insisted to investigators that "the fact that it came from a bad source doesn't make it bad information," a person familiar with the matter said.

The Pentagon announced Wednesday that Deputy Defense Secretary John White has established a panel to study the possible impact of the Soviet disinformation on U.S. military spending. A preliminary Defense Department survey, started this year as part of the dam-

age assessment in the wake of the arrest of Mr. Ames, reached the conclusion that billions of dollars may have been spent unnecessarily to meet the "worst case" possibilities of the supposed threats, the sources said.

Meanwhile, Congress, the CIA and the Pentagon continued to react to the disclosures with shock.

Senator Arlen Specter, Republican of Pennsylvania and chairman of the Senate Intelligence Committee, said he hoped to hold a public hearing next week to hear from the three former CIA directors who ran the agency during the years when their officers were passing the questionable, sensitive information on Soviet operations to the president and top national-security policymakers.

The three, William H. Webster, Robert M. Gates and R. James Woolsey, had said they knew nothing about the questionable sourcing of the material. They sent a letter to Mr. Deutch protesting a funding by the CIA inspector general, Frederick P. Hitz, that they should be among those held accountable for the debacle.

The three former directors also suggested to Mr. Deutch that Mr. Hitz ought to be investigated because he had inquired into, and filed a 1991 report on, the operations of the Soviet division of the Directorate of Operations, or clandestine service. That is where the problems arose, but the three said Mr. Hitz in 1991 did not call specific attention to his "discussion of the reliability of information from sources possibly controlled by the Soviets."

Under normal CIA procedures, Mr. Hitz's report at the time would have been sent directly to Mr. Webster, who was then CIA director. In the letter, however, Mr. Webster and the other two said they had only "recently learned" of the report. Mr. Webster was out of town Wednesday, according to his secretary.

An administration official familiar with the views of the CIA leadership said many of the agency's managers were sympathetic to the three former directors, who were not criticized by Mr. Deutch.



A woman in Sarajevo embracing a relative who had just crossed the Bridge of Brotherhood and Unity from the Serbian side to the Bosnian side of the city. The bridge, which had been closed since May, reopened on Thursday.

Protocol Politics at the Hotel Hope

By Roger Cohen
New York Times Service

DAYTON, Ohio — Protocol is power. Deflly used, its political message is unmistakable. The message in Dayton is simple. The Bosnian Serbs are mere minors. President Slobodan Milosevic of Bosnia is a very important person.

When Mr. Milosevic arrived to attend Bosnian peace talks at Wright-Patterson Air Force Base, he was whisked off in a limousine, flanked by Assistant Secretary of State Richard C. Holbrooke.

When Nikola Koljevic, a Shakespeare scholar and the self-styled vice president of the Bosnian Serbs, arrived, he was bundled into the back of a modest vehicle with several others, his face pressed hard against the window like a kid gazing despairingly into a candy store.

Mr. Holbrooke and his delegation got the measure of Mr. Koljevic on a recent visit to Belgrade. The Bosnian Serb, a diminutive figure with a splendid command of English, complained bitterly about the North Atlantic Treaty Organization bombing in September, saying that a bomb had landed just 250 meters from his office in the Serbs' headquarters at Pale.

A member of Mr. Holbrooke's delegation immediately retorted that the Serbs had been pounding the people of Sarajevo for more than three years.

To this, Mr. Koljevic waved his hand dismissively. "Oh," he said, "that was just a bit of mistaken gunnery."

So mistaken, it seems, that the Bosnian Serbs, who accounted for about one-third

of Bosnia's prewar population and long held the initiative in the war, now find themselves isolated.

Mr. Milosevic, who initially armed and supported them, has in effect become America's means to avoid dealing with his former proxies in Bosnia. The choice is not one of transparent moral clarity, but such choices do not exist in the Balkans.

Mr. Milosevic, who had complained that he did not want to be "locked up like a monk in Dayton," seemed Wednesday to enjoy his first moment in America since the Yugoslav wars began in 1991.

He strode into the Hope Hotel and Conference Center, in the midst of the vast base, with an air of bustling assertiveness, chin and belly protruding with equal self-confidence. Tension filled the air. Hope was not conspicuous.

President Franjo Tudjman of Croatia looked confused and President Alija Izetbegovic of Bosnia looked professional.

The three men shook hands, perfunctorily, old acquaintances with some awkward business at hand. Since they last did so, in 1991, a quarter of a million people have been killed.

The shadow of the dead and maimed was present. Gojko Susak, the tough Croatian defense minister, would not even look at the Serbs. His forces hounded 170,000 of them out of the Krajina region three months ago.

Mr. Tudjman would not meet Mr. Milosevic's gaze. Carl Bildt, the ganging European mediator, who has suggested that Mr. Tudjman might be a war criminal, looked a little uneasy as he sat opposite the

Croatian president.

It was a historic gathering. The walls were off-pink. The plants looked sad. The furniture was modest. The gray carpet did not quite conceal a stain or two. Versailles, it was not.

In Sarajevo, at the battered presidency, they still muster a chandelier.

The three leaders are housed in the visiting officers' quarters, comfortable but unfancy. The rooms — two bedrooms, two bathrooms, a den — were refurbished with identical furniture. "They live separately and they also live equally," said the State Department spokesman, Nicholas Burns.

Secretary of State Warren M. Christopher urged the presidents to consider the future. He told them to ensure that "the sons and daughters of those who have died" are able "to live without fear." But the shadow of the past still lay heavy.

The Dayton Daily News, in a special supplement, tried Wednesday to explain Balkan history, distant and not so distant.

But there were a few problems.

The biography of Mr. Izetbegovic carried a photograph of Mr. Tudjman. And vice versa. The map of the Balkans during World War II showed Croatia, then a Nazi puppet, under Allied control.

The paper was wrestling with a vast theme. Winston Churchill said the trouble with the Balkans was that it produced more history than it can consume. It still does. The Dayton conference amounts to an attempt to unravel at least the recent past in a setting that speaks of the future. It will not be easy.

This is a long way from Sarajevo.

Franz Pfyffer von Altishofen Dies, Headed Swiss Guards at Vatican

New York Times Service

LUCERNE, Switzerland — Franz Pfyffer von Altishofen, 77, who was the commander of the Swiss Guards in 1981 when Pope John Paul II was shot and wounded in St. Peter's Square, died here Friday.

Mr. Pfyffer was a 54-year-old lawyer in Lucerne in 1972 when he was named commander of the largely ceremonial 100-man force of Swiss mercenaries.

When a 23-year-old Turk opened fire from within a crowd of 15,000 well-wishers and seriously wounded the Pope, two guards were among the first to reach the pontiff. But their greatest service was to his attacker, Mehmet Ali Agca, as they rescued him from a mob.

The next year, after 10 years' service, Mr. Pfyffer pleaded ill health and received papal permission to retire at age 65.

Fredrick Chandler, 22, Publishing-Family Heir

Fredrick Chandler, 22, an heir of the family that controls Times-Mirror Co., the owner of the Los Angeles Times and other American newspapers, died Oct.

CHURCH: Reaching Out

Continued from Page 1

editors of *La Civilta Catolica*

As a Jesuit publication, the journal potentially influences education and missionary activity, both of which are key labors of the order. So the article is bound to stir up outreach efforts, which in recent years have grown stagnant, in part because of the deep doctrinal differences that exist among the various faiths, Vatican observers said.

Epochally speaking, some observers think such willingness to push ahead on points in common forebodes an eventual healing of religious division. "Looking ahead, you catch a glimpse of the cross-fertilization of the great religious traditions in the next millennium," a Vatican expert, Marco Politi, wrote in the newspaper *La Repubblica*.

Leo M. Jercinovic, 75, who as a U.S. army tech sergeant helped build the first atomic bomb and sat with it on its automobile trip from Los Alamos to the Trinity Site testing ground in July 1945, died Sunday in Albuquerque, New Mexico.

5 Are Killed in Gun Attack On Bar in Southern Italy

Reuters

MONTEBELLO JONICO, Italy — Five men were killed in a Mafia-style attack when gunmen using rifles and pistols opened fire at a bar in southern Italy, the police said.

Investigators said the attack was most likely part of the warfare between clans of the "Ndrangheta, the version of the Mafia in the southern mainland Calabria region.

At least three gunmen opened fire outside the bar on the outskirts of the small town

of Montebello Jonico just before midnight Wednesday and continued shooting inside when their victims tried to take refuge in a bathroom, police said.

The dead were all men aged between 26 and 54. A sixth man was hospitalized in critical condition.

Two of the men died on the scene and the three others died on the way to hospitals.

The "Ndrangheta, which specialized in kidnappings, has recently moved into drug trafficking, according to the police.

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Is This for Real?

Talk Shows Capture Kids

By Laura Blumenfeld
Washington Post Service

WASHINGTON —

"Yonnie, you coming over?" Tarsha Davis, 15, is on the phone with her friend. "Transvestites? For real? Channel 11?"

It's after school, before dinner, in the middle of talk-show time. Tarsha sits next to her sister on the brown plaid couch. She looks at the television, mounted high in the corner, the screen luminous with the vertical grin of Maura Povich, a talk-show host.

"I like it when they fight," Tarsha says.

"I like it when people fall out of chairs," says her sister, Bumer, 9. "On Richard Bey, a girl pulled down her pants."

"Montel Williams show: 'Desperate Mothers.'"

"That'll be good," says Tarsha's mother, Melissa Davis, 35, as she passes the set. "Montel speaks the truth."

While politicians from both sides of the aisle attack daytime talk shows, millions of viewers like the Davises in Alexandria, Virginia, continue to tune in.

In the past week, Newt Gingrich, Republican of Georgia and speaker of the House; Donna E. Shalala, health and human services secretary, and William J. Bennett, a former education secretary, among others, have accused the programs of debasing American culture and of bombarding young people with tales of sexual perversion, cruelty and violence.

But Tarsha's mother has never heard of Mr. Gingrich, Ms. Shalala or Mr. Bennett. She knows Ricki (Lake), Sally (Jessy Raphael) and Oprah (Winfrey) — all talk-show hosts. And mostly, she likes what they say.

Talk shows attract all kinds of people for all kinds of reasons. Here is Ms. Davis's:

"It educates my girls," she says. Her oldest daughter is 18. "They're going to learn, regardless — either out on the street, or in here."

Here, in the wood-paneled den, Tarsha, her sisters and their neighbors spend their afternoons. They watch fluorescent life, scenes stranger than their own, as people confess their experiences with incest, drugs, abuse and love.

They laugh at the guests, relieved to see people more troubled than when a program hits home.

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

CIA Out of Control

The CIA's reporting on foreign military capacities is supposed to help the United States spend its defense dollars wisely. But in the late 1980s and early 1990s it may have contributed to billions in misdirected spending. The CIA's ongoing assessment of the damage caused by the Aldrich Ames affair reveals that much of the information that the agency provided to the White House and the Pentagon during those years was fabricated by Soviet double agents who pretended to work for the CIA but remained loyal to Moscow.

These double agents replaced genuine agents who had been executed after Mr. Ames betrayed them to the Soviets. They gained their jobs on the basis of inside information about CIA procedures that Mr. Ames sold to Moscow beginning in 1985. Even after CIA officials became aware that the new agents were unreliable, the agency continued to pass on their tainted assessments to the president, the secretary of defense and others without alerting them to the problem.

So far as can be learned, the tainted reports tended to overestimate Soviet military and economic strength, perhaps to deter America from confrontation, perhaps to encourage excessive American defense spending. Whatever the motive, Washington policymakers relied on this dubious information to make major

—THE NEW YORK TIMES.

Greenspan Dividend

Cutting the U.S. budget deficit has just become a little less difficult. The economy's performance over the summer, according to the statistics published over the past few days, has been somewhat better than either the Clinton administration or Congress had expected, and the record for the full year will be better. Slightly more growth will mean higher tax revenues, and slightly lower inflation will mean smaller inflation adjustments to federal benefit checks and to federal tax schedules. It is not a huge change, but it is significant and it is in the right direction.

You could call it the Greenspan dividend. It reflects good week-to-week management of the American economy by Alan Greenspan and his colleagues at the Federal Reserve Board. Last year they raised interest rates to slow down an expansion that was going too fast and was headed for trouble. This year interest rates have been coming down, and the result is turning out well. That will be true even if, as seems probable, the statistics for the past quarter are too good to be sustained through the present one.

This performance ought to encourage those people in Congress and the administration who want to keep bringing the budget deficit down. The Treasury has just announced the final figure for the fiscal year that ended in September — \$164

—THE WASHINGTON POST.

Shady Bond Practices

The market for American municipal bonds has been riddled with corrupt practices. Bond dealers have been caught bribing government officials to win business. They have also used a more subtle tactic — contributing to the campaigns of local officials so as to win contracts to market a local government's bonds. In the between the blatant and subtle forms of corruption fall a variety of other suspect practices.

The Securities and Exchange Commission, under Chairman Arthur Levitt, is moving aggressively against these shady practices. Last week two Wall Street giants, Merrill Lynch and Lazard Frères, agreed to pay fines of about \$24 million to settle charges by the SEC that they had engaged in secret fee-splitting on municipal bond deals.

Lazard served as investment adviser to government agencies in several states, the District of Columbia and the U.S. Postal Service. It advised officials to hire Merrill Lynch to buy and sell these municipalities' securities. What no one told the officials is that Merrill had agreed to pay Lazard for the lucrative referrals — an arrangement that, because of its secrecy, created a conflict of interest hidden from the clients. The clients thought they were getting in-

—THE NEW YORK TIMES.

Other Comment

The System in South Korea

Among South Koreans the taste for vengeance likely is fostered by the sense that the "Korean miracle" was built on their backs, and that the money that found its way to Roh Tae Woo's accounts was taken from their pockets. In this they are exactly right. The real scandal here is the Korea over which he presided, a top-down system where those with political pull got all the breaks (and especially credit) while

—Far Eastern Economic Review

(Hong Kong).

those without connections were left out in the cold. When business becomes a matter of connections, who can be surprised when politicians become rich? The point is that big government breeds big corruption. We would feel much better about the vanguards of South Korea's new morality if they devoted as much energy to reforming the system as they have to seeking Mr. Roh's humiliation.

—Far Eastern Economic Review

(Hong Kong).

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The 'Fight for Changing Power' Begins in Russia

By William Safire

WASHINGTON — Just as an attempted coup by KGB hard-liners led to the elevation of Boris Yeltsin, an attempted purge masterminded by the hospitalized Boris Yeltsin's palace guard may do the same for Grigori Yavlinsky.

The Central Election Commission, dominated by the Filatov-Korzhakov-Satarov Kremlin cabal, began the purge early last week by disqualifying two minor parties from next month's parliamentary elections. One stars the reformer Galina Starovoitova, the other is led by the anti-Yeltsin rightist Alexander Rutskoi. There was no outcry.

The emboldened purgers, with Mr. Yeltsin in isolation, then moved on their primary target, Mr. Yavlinsky's popular Yabloko bloc. When party officials refused to make a statement that would have undermined their campaign in the provinces, the "inner nomenklatura" induced the commission to close down the reformers' campaign on petty technicalities.

A remarkable reaction ensued: The force of public opinion made itself felt in Russia. Outrage was palpable in the press and on television. Alexander Lebed, whose 13 percent support for president

next year puts him in a dead heat with Mr. Yavlinsky, exorcised the "game without rules." Prime Minister Viktor Chernomyrdin, third with 7 percent, hoped that "this mistake will be corrected."

Public revulsion was not unanimous. Yeltsin aides charged Yabloko with sloppiness, while the fast-sinking Vladimir Zhirinovskiy, along with the Communist leader, saw the uproar as a conspiratorial publicity stunt to boost Mr. Yavlinsky.

Suddenly the untested supreme court is thrust in the lime-light. A few days ago it had reinstated the party of Ms. Starovoitova, who then urged her supporters to vote for the beleaguered Yabloko candidates. This Friday, with the eyes of the nation and the world on it, the court will take up Mr. Yavlinsky's appeal and make the election legitimate — or not.

"This is the real beginning of the fight for changing power in this country," says Mr. Yavlinsky in a telephone interview from Moscow. "Such a violation of the law undermines the elections as a democratic procedure. If the ruling is allowed

to stand, it would show the people that the elections would be unfair."

That is why most of his political foes denounced the purge. "Even my opponents know that Yabloko is the most important national political force," says the 41-year-old economist, the only reformer who has built a base in the provinces. "Fair elections cannot happen without us. This is a recognition that we can claim political success, true legitimacy, without us in the race."

What has the interruption done to his candidates for Parliament? "The hit was painful. The election commission has stopped all our preparations, all our activities, a month before the election. Remind yourself of the size of our country."

Did Mr. Yeltsin, who met privately with Mr. Yavlinsky two months ago, have any role in the party purge? "No," Mr. Yavlinsky is unequivocal. "This was prepared as a gift for him. His staff thought it would make him happy. In a way, it's like Chechnya — it shows how those people around him know nothing about real life."

Surrounding the stricken president are power brokers who are thinking beyond his demise. When Mr. Yavlinsky says

"some people do not want presidential elections next year," I presume he means a network of KGB old-timers, corrupt apparatchiks, bribe-paying industrialists, *mafya* hoodlums, army bureaucrats and the chauvinist politicians who cater to their demands.

Many reformers and their families have long been harassed by this crowd; when Mr. Yeltsin was appealed to, he sometimes cut back the intimidation. Now the harassment has escalated by turning international. "If the people who do this to my party gain power," says Mr. Yavlinsky, "it would be extremely dangerous — and not just to Russia."

What is to stop Russia's clandestine anti-democracy movement? Not its supreme court, although the world hopes that fair elections are upheld on Friday. The power to stop all such cabals is the force of public ire, expressed on the street, reflected in the media, reported in polls, taken up by politicians of almost all stripes.

Mr. Yavlinsky sees three battles ahead: "First, to reach parliamentary elections. Then, to have a presidential election next year. The last battle is the fight to win."

The New York Times.

So Who Will Decide at Last to Protect Victims From Aggressors?

By Jeane Kirkpatrick

WASHINGTON — Have there ever been as many defenseless civilians slaughtered in the full view of as many well-armed bystanders as in Bosnia?

Has there ever been as much indifference, incompetence and complicity on the part of as many governments?

Has as much money ever been spent and as many forces mobilized, with as little effect, as for peacekeeping in Bosnia?

Up to 10,000 Bosnian men and boys were murdered after the fall of Srebrenica to a Serbian attack of last July 9, 10 and 11. Now leading American newspapers are again providing eyewitness accounts of UN peacekeepers, Bosnian government officials, survivors and others of the Serbian attack on the defenseless UN "safe haven" and its swollen population of refugees.

But the essential facts had been

This time the accounts are documented by aerial photographs of mass murder just released by the U.S. government.

It is not clear why the government decided to release the story before the Dutch government issued its report on the behavior of Dutch peacekeeping forces in Srebrenica. Perhaps the Clinton administration preferred to lay out its version of events before the debate began in Congress on providing 20,000 U.S. troops for peacekeeping in Bosnia.

In any case, the new accounts of Serbian massacres and international inaction that have been spread across the front pages raise other great crimes of this violent century and raise a similar question: Why did not the American government, the United Nations or the allies do something to stop the murders?

By Richard Cohen

intervened? Sure, comes the reply from a high-ranking military officer. It could have warned the Serbs that they were in peril of losing something of great value, maybe a military installation, in a punishing bombing campaign.

The United States made no such threat. Even if it had, it might not have been believed. After all, until recently, NATO contented itself with "So there!" strikes — pincers to take out a tank here, a heavy weapon there.

The United Nations was inept, NATO was ineffective and the U.S. government was in a summertime daze. The Clinton administration admits that satellite photos of mass graves somehow got lost in the CIA-State Department-Pentagon-White House bureaucratic labyrinth.

But a casual television viewer

reported in Europe and America as the massacres occurred in July.

It may be that the U.S. government desired to release the story before the Dutch government issued its report on the behavior of Dutch peacekeeping forces in Srebrenica. Perhaps the Clinton administration preferred to lay out its version of events before the debate began in Congress on providing 20,000 U.S. troops for peacekeeping in Bosnia.

But Washington did not bring the matter before the UN Security Council for one month, until Aug. 10. Why did the U.S. government wait so long to seek action on this most urgent matter?

We read new details concerning UN commanders who made no preparations to protect civilian populations under their care because they could not believe that danger was impending.

In Congress the chief lessons of recent months in the Balkans seem to have been blithely ignored. We now know that without U.S. leadership, the United States and indeed the world should have yelled bloody murder and threatened Belgrade itself to avert what happened.

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But neither was it prudent for the House by a 3-to-1 margin to slap the president on the wrist. It weakened the very military-diplomatic effort that has brought about a cease-fire. U.S. involvement made the difference. What could be worse than a strong signal from the House that U.S. involvement could be severely limited as, once again, America tells Europe to handle its own problems?

A great game of finger-pointing has broken out over who is responsible for the Srebrenica massacres. The culprits, though, are obvious: Radovan Karadzic, the Bosnian Serb leader; Ratko Mladic, the Bosnian Serb military commander; and, not to be forgotten or forgotten, Slobodan Milosevic, president of Serbia.

But these things operated with the assurance, aplomb and repetition proved that the world and particularly the powerful United States would not care enough to intervene. Congress has just reiterated that very message. What could be worse than a strong signal from the House that U.S. involvement could be severely limited as, once again, America tells Europe to handle its own problems?

Perhaps. We can face the fact that this "peacekeeping" operation most assuredly did not achieve its goals. It did not "mitigate and reduce the impact of the violence on innocent civilians," which Bill Perry described as a chief concern. It did not prevent a humanitarian catastrophe.

UN peacekeeping and the Clinton administration failed in their goals. I believe that they failed because they valued their multilateral tools more than the human lives that the tools should have protected.

Peacekeeping has value only as it is able to keep peace. NATO has value only as it is able to preserve freedom and peace and repel aggression. Both require recognizing when aggression has occurred.

Nothing useful can be accomplished in Bosnia by 20,000 U.S. troops or 100,000 NATO forces until the governments are able to make the essential moral and political distinctions between perpetrators and victims of violence, and define the task as protecting victims from aggressors.

The Washington Post.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Border Dispute

HAVANA — Preparations are being made for a naval demonstration against Venezuela in which all available ships of the British fleet will take part. The present dispute dates back to 1814, when by the Treaty of Paris, England acquired the Dutch possession of Essequibo. The Venezuelans have questioned whether both banks of the Essequibo River were in possession of the Dutch at the time of surrender, or only one. The British view is that the frontier is marked by the extreme limit of the watershed of all rivers flowing into the Essequibo.

This irresponsible approach to legislative and executive decisions stems in part from Israeli politics. Prime Minister Yitzhak Rabin failed to realize until just recently what deep inroads his Likud rivals had made into the American Jewish lobby. He not only didn't make his case effectively, he didn't understand Likud links with the rising American militant right.

So there is good news and bad news. The direction is irreversible. Israel has won acceptance, and with it big new markets in the developing world that bring prosperity. But the "process" can still get stuck. The Middle East will not fade from the headlines.

© Flora Lewis

That is why the U.S. Congress's law ordering the building of an American embassy in Jerusalem is so upsetting. The law, practically unchanged by allowing the president to waive its provisions for an indefinite number of six-month periods, is nonetheless emotionally and politically provocative.

There may be a few regional leaders who understand that it is all about American domestic politics and has nothing to do with U.S. foreign policy. But to most people, America is America, and it seems to be taking a turn favoring the opponents of an agreed settlement.

The use of such a gimmick to advance personal campaigns for the highest public office, as Senator Bob Dole has done, is deplorable to Congress. Realizing that he has the votes to make a veto stick, President Bill Clinton has resorted to another gimmick, announcing that he won't sign the bill but that when it becomes law he will use the power of waiver.

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OPINION/LETTERS

Totally Clueless at the CIA,
Or Duped and in the Loop

By Maureen Dowd

WASHINGTON — Boris and Natasha should sue. In cartoons, it turns out, could Americans (ably represented by moose and squirrel) always outfox Russian spies. In real life, the American side was too busy bungling to stop Soviet dastardly deeds.

It was probably the inevitable sor- did end for a profession where grown men called assassination attempts and blackmail "the family jewels," and ran around for years saying things like "My mansion has many rooms" and "Let's have another martini and overthrow Albania."

All those billions lavished on in- telligence, and now we find out that everyone in the loop was duped.

President Ronald Reagan and George Bush — a former Head Spook, as he signed notes — were fed disinformation by CIA officers who considered it more important to protect Soviet double agents (created with the help of Aldrich Hazen Ames) than to give American lead- ers the truth.

Did we spend a trillion or so too many dollars winning the Cold War? The CIA knew the Soviets were lying, but their stories were so good. Well, good enough for the president of the United States.

The last three CIA directors have written a transcendently weasely letter to the current chief, John Deutch, demanding to be exonerated from blame for the poisoned years outlined by CIA investigators.

William Webster, Robert Gates and James Woolsey wrote: "By any reasonable standard ... there is no basis to hold any of us personally accountable for what we agree is now apparent: that there was a serious breach of the integrity of the intelligence process."

After bragging that their shared experience spans nine presidential administrations, they say they did not know what was going on: "None of the three of us had any knowledge of the misleading char- acterization of sources as described in the report."

Why blame them for being clue- less? They were only in charge of national security. It just shows the brazen careerism that is socially ac- ceptable in Washington.

Senator Bob Kerrey, who released a copy of the letter, was disgusted. "Here are Gates, Woolsey and Web- ster saying they did not know that significant pieces of human intel-

New York Times Service

BOOKS

LINCOLN

By David Herbert Donald. 714 pages. \$35. Simon & Schuster.

Reviewed by Michiko Kakutani

PERHAPS no historical fig- ure except Napoléon has inspired as many books as Abraham Lincoln: in the 130 years since his death, about 5,000 volumes have been published. Lincoln has been deified as an American Christ, and enshrined as a frontier hero. He has been celebrated as the great emancipator, and denounced as a white supremacist.

More recently, he has been demythologized and decon- structed, fictionalized and psy-choanalyzed.

Stephen B. Oates's 1977 bi-ography, "With Malice Toward None," did much to strip away the encrustations of legend that had built up around Lincoln and gave the reader a chatty, low-key portrait of this "many-mooded man."

Now, in "Lincoln," David Herbert Donald, a Harvard Uni- versity professor, takes this process of demystification one step further. Donald depicts an ambitious politician who was

WHAT THEY'RE READING

• Simon Lesley, editor of Impression magazine, is reading: "As the Crow Flies" by Lord Jeffrey Archer.

"It's a rag to riches story. A barrow boy begins by selling fruit and vegetables, works his way up the ladder and ends up owning a huge department store. It's described as a Har- rods, on the corner."

(Miranda Haines, IHT)



woefully ill-prepared for the job of president, and an often indecisive president who had a "reluctance to take the initiative and make bold plans," in short, a highly passive man who was "hesitant to assume po- sitions from which there could be no retreat."

In writing "Lincoln," Don- ald points out that he has focused closely on what Lincoln knew, "when he knew it and why he made his decisions."

The resulting book devotes an enormous amount of space to Lincoln's legal and political ca- reer. It is Lincoln the politician, rather than Lincoln the states- man or visionary, who holds

court in this volume, a Lincoln frequently frustrated by circum- stance, buffeted by fate and willing to make the pragmatic, even expedient decision.

Donald helps give the reader an understanding of the everyday difficulties besetting the Lincoln administration, but in doing so he often loses sight of the huge moral and historical issues faced by the country in the years before, during and after the Civil War.

His determination to write "from Lincoln's point of view," "to explain rather than to judge" results in an almost pure-ly chronological account of Lincoln's life, devoid of the sort of retrospective analysis that might have situated his decisions and beliefs in some broader context.

Donald's basic story, of course, is highly familiar: Lin- coln's impoverished youth on the frontier, his gradual emer- gence as a respected lawyer, his awkwardness with women, his love of books and his thirst for distinction.

Donald has examined mate- rials uncovered since the publication of Gates's biography and uses it to make a couple of new assertions. In Donald's view, the young Lincoln's sus- ceptibility to violent mood swings and his consequent

wariness of uncontrolled emotion had at least a subliminal effect on many of his later beliefs.

"As a young man," Donald writes, "he had looked to rea- son for guidance, both in his turbulent emotional life and in the disorderly society in which he grew up. When that proved inadequate, he found stability in the law and in the Constitu- tion, but after the Dred Scott decision he could no longer have unqualified faith in either. The concept of the Union, older than the Constitution, deriving from the Declaration of Inde- pendence with its promise of liberty for all, had become the premise on which all his other political beliefs rested."

Although he cites Lincoln's 1838 address to the Young Men's Lyceum (in which Lin- coln hailed "cold, calculating, unimpassioned reason") as an illustration of this thesis, Don- ald does little to flesh out his idea. Instead, he offers another, seemingly contradictory hy- pothesis: that Lincoln was an essentially passive and deeply fatalistic man who increasingly came to feel "that the outcome of the war, and of his admin- istration, was in the hands of a Higher Power."

Lincoln's compassion, his tolerance, his willingness to overlook mistakes, Donald argues, all derived from his fa- talistic outlook.

Donald repeatedly tells us about Lincoln's reluctance "to be out in front of public opinion," his preference for re- sponding "to the actions of others" and his "negative capability." He marvels at "how often chance or accident played a determining role in shaping" Lincoln's life.

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Crystal's Long Reign in Italian Town

By Kate Singleton

COLLE DI VAL D'ELSA, Italy— You think of Italian glass and you think of the exotic atmosphere of the Venetian lagoon, aerial forms, quality, design, tradition.

Not at Colle di Val d'Elsa, an enchanting hilltop town northwest of Siena. Here people are often heard to express disgust and a touch of pity for glass workers. The craftsmen of Colle consider crystal alone to be worthy of their attention, their eye for form and their supreme manual skills. Crystal they view as a noble material, on a par with precious metals; glass is dismissed as others would spurn plastic.

Ordinary glass is the product of the fusion of calcium oxide (lime), sodium carbonate and silica, whereas crystal, or flint glass, also contains a small quantity of lead that makes the finished product sharper, brighter and particularly suitable for decoration by cutting and engraving. And this is precisely what generations of master blowers and cutters have been doing to such splendid effect since the late 16th century in Colle di Val d'Elsa.

The Elsa Valley can trace its cultural heritage back to the Etruscan settlements that infused so much of central Italy with a sense of form. During the late Middle Ages, the people of Colle di Val d'Elsa gleaned ideas and techniques from the masters and merchants who passed by on the pilgrim

route from northern Europe to Rome, and by the 14th century the town was renowned for its paper, woolens and glass.

Although the paper and woolen mills began to decline within two centuries, the vocation for crystal received new impetus in 1577, when the archduke of Tuscany issued a decree forbidding the use of "foreign glass" in the state. Colle di Val d'Elsa thus enjoyed the benefits of protectionism and was able to specialize in wares that were the product of a number of different skills: blowing, grinding, cutting and polishing.

Modernization has reduced the number of factories, improved the quality of the furnaces and potentially provided the means for the mass production of crystal ware. However, the firm of Colle, the leader in fine crystal tableware, has preferred to stick to the traditional principles of production and instead embrace modernity by inciting designers to enrich the ancient tradition with new forms. The hauntingly unusual wares designed for Colle by Angelo Mangiarotti are a case in point. Hardly surprisingly, they have found their way into museum collections. "We aim to produce crystal that is considered as precious as silver," says Sergio Pregliasco, managing director at Colle. "We're not interested in quantity but quality and you can only get this when the human eye and hand help fashion and finish the objects."

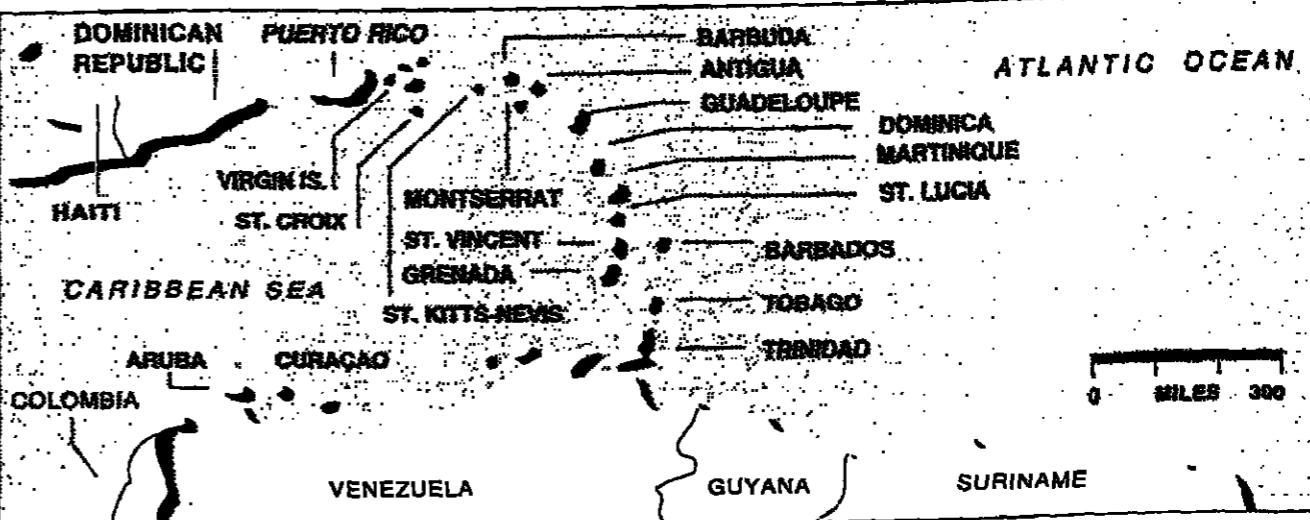
"There are numerous different stages in the production of a crystal wine goblet. The glass is molten, then blown to roughly the right size and shape before being clamped into a mold. Meanwhile, the stem is shaped and is joined to the cup. The basic object is then fired again and allowed to cool slowly so that it can be finished by grinding and cutting. No two pieces are ever exactly the same, yet we discard any item with visible faults. There's a 30 percent reject rate in the initial shaping stage and a further 25 percent during grinding."

TODAY the crystalware firms here send their products out to be ground and cut in small workshops before subjecting them to the final acid wash that brings out their brilliance. Shaping and decorating have thus become two different worlds. In the furnaces where what is solid becomes molten, intense yellows and oranges prevail, standing out against the profusion of dark iron.

By contrast, the grinders' workshops are coolly covered in a patina of fine white dust shed from the vases, candlesticks and glasses as they are brought to their full clarity.

This is how crystal is made to show off its special gifts of clarity, its ability to emit rainbows of evanescent color from each of its carefully turned and tuned edges. It sparkles like the air on a bright winter morning and rings like a bell when you tap it, yet for all its apparent lightness it is as weighty as deep water.

Kate Singleton lives in Italy and writes on cultural affairs.



International Herald Tribune

Caribbean Luring Tourists Back

By Frances Frank Marcus

MUCH of the island of St. Thomas is decked out in blue these days. Blue is the color of the tarpsaulins the Federal Emergency Agency has supplied to cover many houses without roofs.

St. Thomas is one of the three Caribbean islands—the others being Antigua and the Dutch St. Maarten—that were hardest hit by the September hurricanes designated Luis and Marilyn. The hurricanes brushed eight other islands as well, sweeping away seaside terraces and beach cottages, uprooting large trees and shutting down lights, telephones and sewage systems.

The storms also wreaked havoc with the tourism season: 16,000 hotel rooms were damaged, air service was suspended and tour companies stopped accepting bookings for some of the most-affected islands. And tourists seemed to be avoiding even the unaffected islands, at least initially.

By mid-October, daily flights had resumed to all the islands hit by the hurricanes, though in some cases service remains curtailed. American Airlines, the largest carrier from the United States into the Caribbean, has restored jet service from San Juan and Miami to St. Maarten but has canceled its direct winter jet service from New York to St. Maarten through 1995, an American spokesman said.

American has also canceled its San Juan-St. Thomas flights from Nov. 1 through 1995 and its New York-St. Thomas flights through 1995. By Nov. 1, American's only jet service into St. Thomas will be a daily flight on a 757 from Miami. Service will continue on American Eagle, the airline's commuter partner, from

San Juan to St. Thomas and other destinations.

Full resumption of air service will depend upon the pace of the recovery process, a spokesman for American said.

Continental Airlines will resume twice weekly service to Antigua and St. Maarten in mid-December, but its service to St. Thomas is "pending review."

USAir resumed daily flights from Baltimore to St. Thomas on Oct. 5 and will resume service from Baltimore into St. Maarten this month with two weekend flights. Delta has one daily flight from Atlanta to St. Thomas and St. Croix.

Here is an overview of each island's status.

On Saint Thomas, no roofs means no roof cisterns, which hold the rainfall the island residents depend upon for their water supply, though large hotels create their own environments with independent power and water systems. Electricity is returning bit by bit, but the island will not be back to full power until January.

On the island shared by French St. Martin and Dutch St. Maarten, tempers have been short. On the St. Martin's side, French engineers helped the area to jump-start recovery. By early October, the French side had power, telephones were working and roads were clear. But on the Dutch side, damage was greater and recovery has been slower. Princess Julian International Airport is used by both sides and the Dutch side closed the airport to tourists headed for both St. Maarten and St. Martin during the early post-hurricane days. The airport will officially reopen to tourists on Nov. 1.

On Antigua, roads are clear and water and telephone services are back. St. John's, the capital, has electricity, and the rest of

the island should have power by the end of the month.

Forty miles from St. Thomas, St. Croix escaped with considerable less damage. And thanks to St. Thomas' port damage, St. Croix's deep port at Frederiksted has had a surge in cruise traffic.

A few tourists have already returned to St. John, which incurred less damage. St. John is the home of the U.S. Virgin Islands National Park, which covers two-thirds of the island.

The British Virgin Islands, which suffered little damage, have had air service since a day or two after Marilyn, and it is business as usual.

On St. Kitts and Nevis, which suffered only minor damage, the phones and electricity are working.

On Dominica, which is much less developed than the other islands hit by the hurricane, the damage was mostly to crops.

Hurricane Luis held small Anguilla hostage for hours, but the hotel damage for the most part was minor, thanks to a strict construction code.

Nearby, in the French Antilles, stylish St. Barthélémy reports it will be ready for the season Nov. 15, with hotels opening in stages; some are open now, some will open by Nov. 15, and others a little later. Popular restaurants are open and beaches are operating normally. The island has telephone service and power.

Small Montserrat has been unusually beleaguered, with a volcano scattering ash, spewing steam, and on occasion rumbling ominously. Volcanic scientists have been among the island's few visitors.

Frances Frank Marcus, of New Orleans, is a contributor to The New York Times.

THE MOVIE GUIDE

Le Garçou

Directed by Maurice Pialat. France.

Gérard Depardieu lives between his former wife (Elisabeth Depardieu), a mistress (Fabienne Babe), and a former wife-to-be (Géraldine Pailhas), but his love is his 4-year-old son, Antoine (Antoine Pialat, the director's child). The film is partly set on Ile Maurice, and of course Maurice is the director's first name; Gérard, who is his alter-ego, suffers from isolation and is evicted from this vision of paradise. For Gérard weighs on everybody, as well as on himself, and like a large, cumbersome child, rushes from one woman to the next, asking an anguished, *Ca va?*

Nobody responds because they're busy escaping — other lovers, some peace and quiet. Jeannot (the soccer star Dominique Rocheteau), a calm type, is Gérard's rival; and even his father (Claude Davy), nicknamed Le Garçou, plays him a dirty trick by dying. The narrative is not built in a linear fashion, but pilled on overlapping scenes; time is telescoped so that characters clash and split in free-fall, as if in outer space. They feed, but they are never more together than once they separate. The director draws a dour picture of mid-life blues, love gone rancid, and paints himself in a portrait of the artist as an aging misanthrope. The camera is constantly on Depardieu, who

gives pathos to this bumbling modern man — husband, father, son — lost out there. (Joan Dupont, IHT)

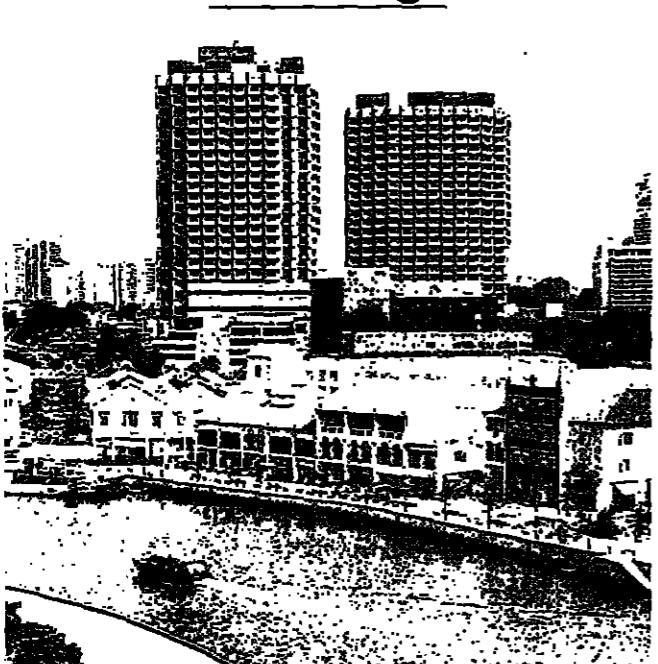
Mighty Aphrodite

Directed by Woody Allen. U.S.

The film industry offers no surer thing these days than the annual Woody Allen comedy, dependably well made and not quite like any Allen film that came before. Nimble filmmaking like this isn't necessarily geared to the magnum opus, but Allen can achieve fine, amusing results even while thinking small. "Mighty Aphrodite" can also stand solidly on its own merits. Ranking in the Allen canon somewhere around "Alice" or "The Purple Rose of Cairo," it good-humoredly follows an ordinary character into a sphere of existence he never imagined. (Janet Maslin, NYT)

to the ancients for wise-cracks and inspiration. The most conspicuous device here is a Greek chorus meddling in the life of Lenny Winer, the familiar neurotic and long-suffering romantic whom Allen still determinedly plays. Lenny's involvement with women half his age gives the film a grandpa problem and invites a different sort of Greek chorus to note parallels between Allen's art and life. But "Mighty Aphrodite" can also stand solidly on its own merits. Ranking in the Allen canon somewhere around "Alice" or "The Purple Rose of Cairo," it good-humoredly follows an ordinary character into a sphere of existence he never imagined. (Janet Maslin, NYT)

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Royal Dutch Profit Jumps But Group Is Wary of Price Declines

Compiled by Our Staff From Dispatches

LONDON — Royal Dutch/Shell Group said Thursday that improved performance in its chemical and refining operations led to a 31 percent rise in profit for the third quarter.

On a basis of current cost of supplies, which strips out gains or losses on inventory holdings, the company earned £1.12 billion (\$1.77 billion) in the quarter, compared with £853 million a year ago. For the first nine months, current-cost profit rose 56 percent, to £3.7 billion.

The company, which is 40 percent owned by Shell Transport & Trading of Britain, and 60 percent owned by Royal Dutch Petroleum Co. of the Netherlands, said profit was flat in its exploration and production operations. Crude oil prices fell slightly in the latest quarter.

Despite the increase in profit, the company gave a cautious outlook.

"A continued difficult industry environment is expected, with pressures on crude oil prices and refining margins worldwide," Royal Dutch/Shell said. The company said it expected the chemical business to suffer from weakening demand into 1996, leading to reduced profit growth, but not a cyclical fall in earnings.

In Amsterdam, shares in Royal Dutch Petroleum fell 1.90 guilders to 196 guilders.

while stock in Shell Transport & Trading fell 18 pence to 735 pence in London.

Some analysts said the market overreacted to the oil and chemical price news, which had been anticipated. Philip Morgan, an analyst at Paribas Capital Markets, said the results were better than the market reaction indicated. "I can't see any good reason to sell Shell on this."

On a historic cost basis, which takes into account gains or losses on oil stocks, profit rose 29 percent in the quarter, to £1.05 billion. For the nine months, earnings rose 49 percent, to £3.61 billion.

(AP, Bloomberg, Knight-Ridder)

Akzo Profit Is Below Expectations

Akzo Nobel NV said Thursday in its third-quarter net profit rose less than 1 percent, as earnings from paint and salt activities declined. Bloomberg Business News reported from Amsterdam.

The company earned 324 million guilders (\$204 million), up from 322 million a year ago. Sales fell 4 percent, to 5.2 billion guilders, as the rise in the guilder against major currencies, especially the dollar, offset an average increase of 5 percent in selling prices.

The earnings came in below expectations, and Akzo's share price fell 7.50 cents, to 172.80 guilders.

Lower Sales Hurt Profit for Boots

Compiled by Our Staff From Dispatches

LONDON — Boots Co. said Thursday its first-half pretax profit fell 21 percent as "difficult" retail conditions offset higher pharmaceutical sales.

The company also said it was interested in making an acquisition or buying back some shares if it could not find a suitable investment.

Boots posted a pretax profit of £227.9 million (\$339.6 million) in the six months to Sept. 30, down from £289.7 million in the year-ago period. Sales

fell to £1.94 billion from £2.04 billion.

Boots partly attributed the drop in profit to the sale of its pharmaceuticals division, sold earlier this year to Germany's BASF AG for \$840 million. The division generated £45.5 million in operating profit last year.

Boots said its operating profit from continuing operations rose 4 percent, to £196.2 million.

Lord Blyth, the chief executive of Boots, said the company was particularly interested in finding an acquisition in Ger-

many, where its position is particularly weak. He said Boots was also interested in further investments through Boots Properties, which reported an 11 percent increase in six-month profit, to £34.7 million.

If suitable investments cannot be found, Boots said its policy was to return value to shareholders. Up until now, the company has found share buybacks the most tax efficient way to do this, Lord Blyth said.

Boots shares fell 19 pence, to 535 pence. (AFX, Bloomberg)

Ukraine Suspends Sale of Gas Business

Compiled by Our Staff From Dispatches

LONDON — The Ukrainian Parliament on Thursday suspended the privatization of the country's oil and gas industries because existing legislation was being violated, the Ukrainian news agency Ukrinform said in a report monitored by the British Broadcasting Corp.

In a resolution passed with an overwhelming majority, Parliament ordered the State Property Fund to take steps to suspend the privatization process. The prosecutor-general also was asked to investigate the oil and gas privatization process and to report back by Nov. 15.

The Russian news agency Itar-Tass, in a report from Kiev, said that the action had also been taken because the privatization process was being abused by officials.

A parliamentary commission had found that gas pipelines were being privatized illegally and revenues from the pipelines were being pocketed privately instead of going into the Treasury, Itar-Tass said.

Also on Thursday, the Ukrainian government stopped guaranteeing payment for Russian natural gas supplies to Ukrainian enterprises under a supply agreement for 1996.

Ukraine's government will approve five companies to negotiate direct gas purchases from Gazprom AO, Russia's monopoly gas supplier, under a new agreement signed by Pavlo Lazarenko, Ukraine's first deputy prime minister, and Rem Vlakhirev, the chairman of Gazprom.

Ukraine will create an "energy commodity exchange" where these companies will sell the gas to local enterprises.

Local officials said they expected the decision to decrease Ukraine's debt burden to Russia because it would end the government's responsibility for payment for centralized natural gas purchases.

Ukraine owes Russia between \$640 million and \$700 million for 1994 gas deliveries that totaled 55.9 billion cubic meters. For 1995, Ukraine owes \$198 million to Russia and \$48 million to Turkmenistan, the Interfax news agency said.

Gazprom agreed to sell Ukraine more than 50 billion cubic meters of natural gas in 1996 under the new agreement.

(Knight-Ridder, Bloomberg)

Dresdner Posts Firm 3d Quarter

Bloomberg Business News

FRANKFURT — Dresdner Bank AG said Thursday that a strong third quarter lifted its operating profit by 13.6 percent, to 1.45 billion Deutsche marks (\$1.02 billion) for the first nine months of 1995.

"Based on developments to date, we expect to post results for the year as a whole which will satisfy our shareholders and give us scope to strengthen our capital base further," the bank said.

Dresdner, Germany's second-largest bank, said operating results almost doubled in the third quarter, compared with last year, and rose at a 16.8 percent rate from the average of the first two quarters. The bank did not release specific figures for the quarter. Operating profit had been down 3.5 percent at the six-month stage.

Analysts warned, however, against seeing the results in too rosy a light. "I think the results were pretty much in line with expectations, but any positive response has to be diluted by the fact that all the improvement came from better trading and provisions," said Bryan Crossley, an analyst at ABN Amro House Govett in London.

"If you look at the partial result, it is down 32.5 percent, which is the worst we've seen of all banks so far."

The partial result is the core earnings business from interest and commission activities.

Operating profit, which is before taxes and after own-account trading and risk provisions, rose from 1.28 billion DM in the first nine months of 1994. Dresdner and other German banks are reporting nine-month results for the first time this year.

A Fall at SE Banken

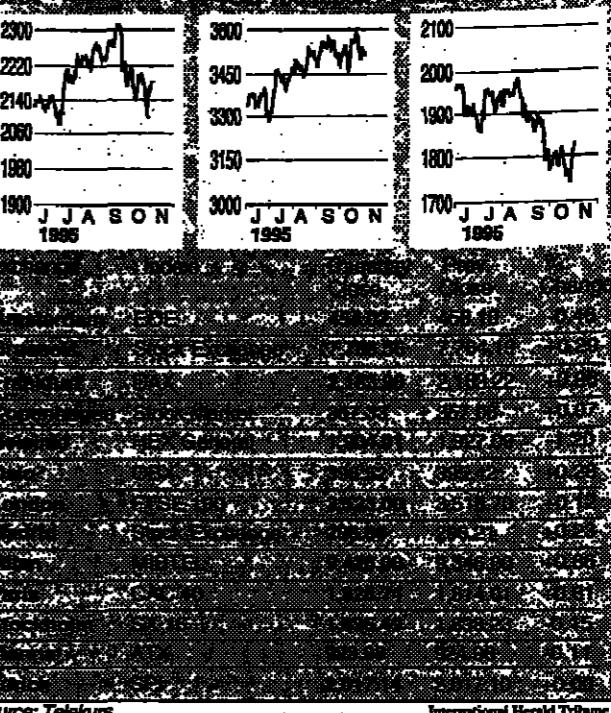
SE Banken SA said Thursday that its nine-month operating profit fell 51 percent to 1.39 billion kronor (\$210 million), hurt by lower interest income and higher operating costs.

Mediobanca hoped to increase its control over Ferruzzi by merging it with Gemina SpA, the holding company in which it holds a 13 percent stake. That merger collapsed amid allegations that Gemina executives hid losses before starting a rights issue this year.

One-time gains for Sweden's third-largest bank were 56 million kronor, compared with 789 million kronor last year.

Investor's Europe

Source: Telstar



International Herald Tribune

Very briefly:

• Groupe Bull said its Zenith Data Systems unit signed a memorandum of understanding to acquire a 51 percent stake in IPC France, the French unit of IPC Corp. of Singapore. IPC Corp. holds a 32.7 percent stake in Bull.

• International Business Machines Corp. plans to spend \$1.4 billion on expanding existing semiconductor plants in Essemnes, France and Burlington, Vermont, to produce dynamic random access memory chips.

• American Power Conversion Corp., a computer component maker, plans to invest 40 million pounds (\$65 million) in four Irish plants, creating 1,000 new jobs in the next three years.

• Austria Mikro Systeme, a computer chip producer, plans to launch an issue of 500,000 new shares between Nov. 6 and 20 to raise 770 million schillings (\$78.2 million) for an expansion program. The shares will be priced at 1,540 schillings.

• Acer Inc. of Taiwan has signed an agreement to sell its computers in northern Europe through LM Ericsson AB, the Swedish telecommunications company.

• Ence SA said a surge in world prices for pulp led to a 638 percent increase in net profit in the nine months ended Sept. 30 to 10.7 billion pesetas (\$87.7 million), in line with estimates.

• Empres Nacional de Electricidad SA has bought 7 percent of mobile phone operator Airtel from Fuerzas Electricas de Cataluna SA for 4.23 billion pesetas.

• Matsushita Electric Industrial Co. will start building up its sales network in Eastern Europe, particularly in Poland, Hungary and the Czech Republic, in the current financial year.

• Burmeister & Wain Holding A/S, a Danish shipbuilder, is to close in February after 151 years in business, hit by a weak dollar and high local costs.

AFX, Bloomberg, Reuters, Knight-Ridder

Ferruzzi Ruling Aids Milan

Bloomberg Business News

MILAN — The benchmark Italian stock index gained Thursday as investors cheered a decision by the market's regulator to force Mediobanca SpA to play by the rules.

The MIBTEL index rose 80 points, to 9,426.

The Milan investment house was ordered late Tuesday by the regulator Consob to make a formal bid for an additional 11 percent of Ferruzzi Finanziaria SpA after buying as much last week.

Consob said Mediobanca's purchases of 10.7 percent of Ferruzzi triggered a takeover statute requiring it to bid for an equal amount at a price not lower than the average 1,585 lire (\$1) paid. Mediobanca said it paid 260 billion lire for the stake, must

buy the stock within 30 days.

"This is very significant, because it shows that Consob is acting in shareholders' interests and that it has the ability to do so," said Bernadette Attard, a fund manager at Baring Asset Management in London.

Ferruzzi shares rose as much as 51 lire, to 1,250, but finished the day 1 percent lower, at 1,186 lire. Some dealers said the decision by Consob focused attention on the true value of Ferruzzi shares.

Mediobanca hoped to increase its control over Ferruzzi by merging it with Gemina SpA, the holding company in which it holds a 13 percent stake. That merger collapsed amid allegations that Gemina executives hid losses before starting a rights issue this year.

One-time gains for Sweden's

INTERNATIONAL FUTURES

Source: Commodity Futures Trading Commission

High Low Close Chg Chg Chg

ASIA/PACIFIC

Nissan Reports First Operating Profit in 4 Years

Bloomberg Business News

TOKYO — Nissan Motor Co. on Thursday reported a profit on its operations for the first time in four years, thanks to rising sales of new car models and lower costs.

The operating profit of 5.12 billion yen (\$49.5 million) for the six-month period ended Sept. 30, the first half of Nissan's financial year, was a dramatic improvement from a loss of 8.6 billion yen a year ago. But it was not enough for Nissan to turn a pretax profit.

Japan's No. 2 carmaker said its pretax loss was 8.8 billion yen, six times less than it lost in its first half last year. The company predicted it would show a pretax profit of 25 billion yen in the year ending March 31, which would be its first full-year profit in two years. Earlier, Nissan had forecast that it would break even.

Besides better sales at home, Nissan's export earnings should be buoyed by the dollar's recovery to the 100-yen level, said Koichi Takagi, managing director at Nissan. "We are proceeding according to schedule with our cost-cutting plans," Mr. Takagi said. "If the currency stabilizes, we should be profitable."

Nissan's stock closed at 736 yen, up more than 5 percent. The carmaker announced its earnings after trading ended on Japanese exchanges.

After stagnating for several years, Nissan's Japanese sales turned around last year following the launch of several new models. Nissan said its market share at home rose to 21.7 percent in the first half, up from 20.9 percent a year earlier.

Sales rose 9.1 percent, to 1.71 trillion yen.

Nissan sold more of many models, including traditional big-sellers like the Pulsar, as well as the Cedric and Presera. Mr. Takagi said. In unit terms, Nissan's domestic sales rose 19.7 percent, to 538,096.

Strong sales of upscale models like the Cedric/Gloria luxury series helped improve profits on sales even as total demand fell short of expectations.

In spite of the higher yen, Nissan did well in the United States, where it was the only Japanese carmaker to gain market share this year. Overall, however, exports rose just 0.3 percent, to 312,708.

The stronger yen resulted in a decline of 40 billion yen in Nissan's export earnings.

Nissan offset that by slashing costs more deeply than it originally planned. Slimming its product lineup, sharing more parts between models and reducing hiring helped Nissan save over 100 billion yen in the first half, compared with its original target to save 80 billion yen.

Nissan did not sell securities in the first half — a tactic it has used in the past to inflate current profits — because of the sluggish state of Japan's stock market. Mr. Takagi said the carmaker might unload some shares in the second half of the year if share prices rise.

Nissan's net loss shrank to 13.43 billion yen from 53.7 billion yen. The company said the net loss would include a one-time charge of 18.57 billion yen to cover payments to employees leaving the company.

Take a Puff, It's the Tour of China!

Despite Anti-Smoking Laws, BAT Sponsors Bike Race

By Samuel Abt
International Herald Tribune

BEIJING — A Western traveler who passed blithely into the airport at Shanghai smoking a cigarette on Thursday was stopped by an old woman who tried to hand him a green slip while showing him a bulging wallet. "No, no," he said, thinking the slip was for a lottery or a contribution of some sort.

"No, no," she repeated. Then she whipped the cigarette out of his hand. "No, no smoking," she said. "Pay fine." It amounted to 10 yuan (\$1.20).

Since the traveler was wearing around his neck a label identifying himself as a fellow traveler with the Kent, as in Kent cigarettes, sponsor of the Tour of China bicycle race, he showed the ID to the woman in a stab at sweet reason. "Ha, ha," she said.

He paid the fine and told her to have a nice day.

Under inspection by a more practiced reader of Mandarin than the traveler, the green slip informed him that he was a disobedient fellow who had violated Sub-section 42 of Law 16 in relation to committing a public nuisance — smoking in a public area — and the Shanghai Health Commission hoped he would mend his miscreant ways.

Chinese authorities are working overtime to discourage smoking. But as Chairman Mao pointed out, the longest journey begins with a single step, and the state has an extremely long way to go in this campaign.

The world's most populous country with 1.2 billion citizens, China is also the world's biggest cigarette market.

A study made public by the American Medical Association last month reported that 67 percent of Chinese males smoke and that they consume on average nearly a pack a day. Only 2 percent of the women smoke, but the habit is spreading among them and among young people.

The report said further that the Chinese were willing to spend an average of 60 percent of personal income and 17 percent of household income to buy cigarettes.

To discourage these trends, signs are everywhere with the international symbol

of prohibition — a red slash — through a cigarette and the words "No smoking" in English and Chinese. Last Feb. 1, the government also banned all cigarette advertising from radio, television, newspapers and magazines.

Enter the Kent Tour of China bicycle race, the Salem/Beijing Open tennis tournament and Marlboro's sponsorship of the Chinese soccer league. The government, whose biggest source of tax revenue is the state tobacco industry, apparently left some loopholes.

"We still have outdoor opportunities and we still have sponsorship," said Susan M. Osborne, director of marketing for BAT China Ltd., a unit of the London-based BAT Industries PLC, makers of Kent, Lucky Strike, Pall Mall, Barclay, Capri, 555 and Silk Cut cigarettes.

Long lines of banners publicizing the bicycle race and its full name have been strung on main streets throughout the itinerary, including Shenzhen, Guangzhou, Shanghai and now Beijing, where the 11-day, 500-kilometer (310-mile) race will end Sunday. There was no racing Thursday after the 101 riders flew to the capital from Shanghai and Friday is to be a full day off.

In addition to the banners with the Kent name and symbol, paper sun visors, glossy color programs and small folded schedules with the name and symbol are distributed to spectators at each daily stage.

Then there's the television coverage of the race, including the performance of the Kent China Team, originally seven riders with the cigarette's name on their white and blue jerseys, caps and jackets.

One national television channel shows a minute and half of activity each day and the sports channel shows 25 minutes of it.

"The Kent Tour of China seemed to us to be a very significant news value, media value, and something we wanted to incorporate into Kent's image," said Miss Osborne. "The image of the exciting, dynamic, colorful bike race is one that we want to associate with Kent."

"Sponsorship is regulated," she continued, "but we've been in sponsorship long before the new legislation. We've been sponsoring the 555 Hong Kong-

Beijing Rally, and just finished our sixth year."

The CAAC Inflight Magazine, found aboard Chinese airlines, estimates that 13 million spectators watched that auto race last year from along the roadside and that 750 million more saw it on television.

Nevertheless, "it took eight months of work to get approval for the sponsor" from Chinese authorities, said Michael P. Plant, president of Medalist Offshore Ltd., the organizer of the Tour of China, which will award \$200,000 in prizes.

While Miss Osborne would not say how much Kent was paying to sponsor the race, calling it "competitive information," reliable estimates range between \$5 and \$6 million for this first edition. Its impact will be judged at the end of December and the company will decide whether to continue, for at least two more years.

"The race does allow us to give brand exposure to consumers," Miss Osborne granted. "Sponsorship is still a viable medium to expose our brand image. It also allows us to bring China to the rest of the world" through the televised racing stages that are being shown internationally.

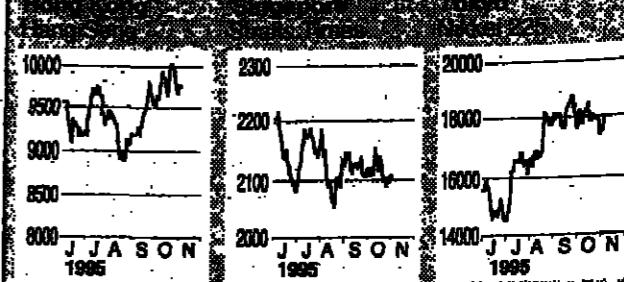
Another source, who asked not to be identified, said the bicycle race appealed to the Chinese government for several reasons: It helped China's bid for a future Olympic Games by showing that this large-scale event could be carried off smoothly; it provided international exposure and reputation; it promoted sports and it brought in dollars. He said that all race bills — hotels, meals and air transportation for an entourage of 350, plus car rentals, hired hands and police fees had to be paid in dollars.

As for the government campaign against smoking, Miss Osborne was straightforward.

"Kent is actually not a huge brand in China," she said. "The industry is very small in terms of imported brands at this stage. However, we anticipate that smokers will be moving into international brands and we want Kent to be one that consumers choose."

"It's our policy that if there are adult consumers who smoke, we would like them to smoke our product."

Investor's Asia



Source: Telektron

Very briefly:

- Hong Kong Telecommunications Ltd.'s net profit for the six months ended Sept. 30 totaled 4.81 billion Hong Kong dollars (\$622 million), up 15 percent from the same period last year, as cost cutting and strong mobile phone sales offset a slump in handling calls to and from China.
- Enron Corp. could start renegotiating its \$2.8 billion Indian power plant contract with the Maharashtra state government by Saturday after officials and executives met on Thursday. The Indian state scrapped the project in August because of high cost.
- Nintendo Co. and Netscape Communications Corp., a major U.S. developer of software for accessing the Internet, would launch an Internet service at the end of next year.
- The Asian Development Bank approved a \$244 million loan to the Philippines for a major electric power generation and transmission project. The bank also gave a \$500,000 technical assistance grant to the state-owned National Power Corp.
- The Securities and Exchange Board of India will act by the end of December to suspend trading of volatile issues in all the country's 22 bourses. Currently, each exchange acts independently when a stock's trading is volatile.
- Vietnam will choose a new foreign partner for its first oil refinery by the end of November to replace Total SA of France, which pulled out of the \$1.2 billion project, state-owned Petro-Vietnam said.

Australia Will Allow More Stock Markets

Reuters

contending that there had been several dozen instances of human-rights violations in and around the mine site.

In April, the Australian Council for Overseas Aid reported that 22 civilians and 15 guerillas had been killed or had disappeared in the region. The report also accused Freeport security personnel of having taken part in several of the killings.

They also contend that local villagers can no longer drink water from the river.

Officials from Freeport-McMoran deny that the mine tailings are toxic.

The cancellation comes despite an intensive lobbying effort in Washington by Freeport-McMoran officials, including former Secretary of State Henry Kissinger, who sits on Freeport's board.

The insurance issue also was reported to have been raised by President Suharto of Indonesia during a meeting with President Bill Clinton last week at the White House.

The mine has been under increased scrutiny in recent months because of two reports

that the company said it did not

provide transportation or other assistance to military personnel involved in combat operations."

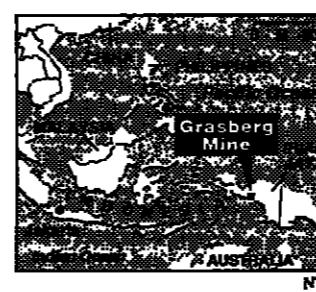
Steve Feld, an anthropologist and opponent of the Freeport operation who has spent two decades studying indigenous music and culture in neighboring Papua New Guinea, said the decision by OPIC to cancel the company's insurance "confirms what many people have known and talked about for a long time. This is extremely important because OPIC's scientists are internationally recognized."

The decision appeared to have been guided by a 1979 executive order, which provides environmental guidelines for projects, that the federal agency insures or finances.

The purpose of the order is to "ensure that all significant environmental effects of its actions outside the United States are considered by OPIC in its review of proposed insurance and finance projects."

Neither the agency nor the company could comment on when arbitration proceedings might begin.

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Freeport's Indonesia Mine Loses U.S. Insurance

By Robert Bryce
New York Times Service

lution. "We believe OPIC lacks a legal basis for canceling the coverage," he said.

"Therefore, we believe the coverage remains in effect, and we will operate on that basis pending a resolution of the dispute, which has been submitted to arbitration, as provided by our contract with OPIC."

People who have been following the issue said the insurance was canceled because of environmental problems at the Grasberg Mine, which contains the world's largest known gold deposit, an estimated 22 million ounces.

The ore body, in the mountains in Irian Jaya, an Indonesian province that occupies the western half of the island of New Guinea, also contains an estimated 15 billion pounds of copper and 37 million ounces of silver.

The total value of the deposit has been estimated at the equivalent of \$50 billion.

In recent years, Freeport-McMoran has pumped more than \$2 billion into the infrastructure of the mine, which employs about 17,000 people.

Freeport-McMoran is believed currently to be the largest single American investor in Indonesia.

Environmental groups in Indonesia and the United States that oppose the company's operation in the region say that the company has done little to contain tailings below the mine site and that the runoff from the tailings has killed fish in nearby rivers.

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Practical Investing Strategies

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كما في الاعمال

NASDAQ

Thursday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

12 Month High Low Stock	Div	Yld	PE	12 Month High Low Stock	Div	Yld	PE	12 Month High Low Stock	Div	Yld	PE	12 Month High Low Stock	Div	Yld	PE
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حقوق اصحاب الارض

EUROPE DIVERSIFIES ITS MBA OFFERINGS

MBA programs adapt to changes in the marketplace.

While the original U.S. MBA model – a full-time course of up to two years' duration – remains popular with young high-flyers set on making a decisive career break, the new growth areas are products such as part-time or executive programs, distance-learning packages and courses tailored for companies rather than lone students.

"Companies now recognize that they have to invest heavily in management development in order to meet the changes in today's rapidly moving marketplaces," says Peter Barrar, MBA director at Manchester Business School in Britain. "Offering managers a chance to obtain an MBA can help to secure full commitment from them."

Accordingly, Manchester Business School is now forging strategic alliances with leading companies such as Ford. "This is in line with what is happening in many other business sectors such as manufacturing and retail distribution, where buyer companies are reducing the number of suppliers and carving out longer-term relationships with those that they continue to use," Mr. Barrar says.

Hybrid products

A further significant move is the establishment of specialized MBA programs and other hybrid products. Both the Instituto de Empresa in Madrid and the Groupe HEC near Paris have recently launched mixed business and commercial law courses in cooperation with the Fletcher School of Law and Diplomacy in the United States. In addition, the ESSEC group in Paris dispenses an MBA program with a specialization in luxury brands.

Another development is the creation of a joint DBA (Doctor of Business Administration) program by ESC Grenoble in France and Henley Management College in Britain. "The DBA program is aimed at senior management levels, including people involved in consultancy activities," says Matty Smith, operations manager at Henley's Research Center. "A major objective is for each student to write a thesis that can be read as a practical guide by businesspeople. Areas of research chosen by our DBA students include currently hot themes such as the ways in which managers arrive at decisions, corporate re-engineering and transformation, and technological innovations such as the development of the World Wide Web."

Learning alternatives

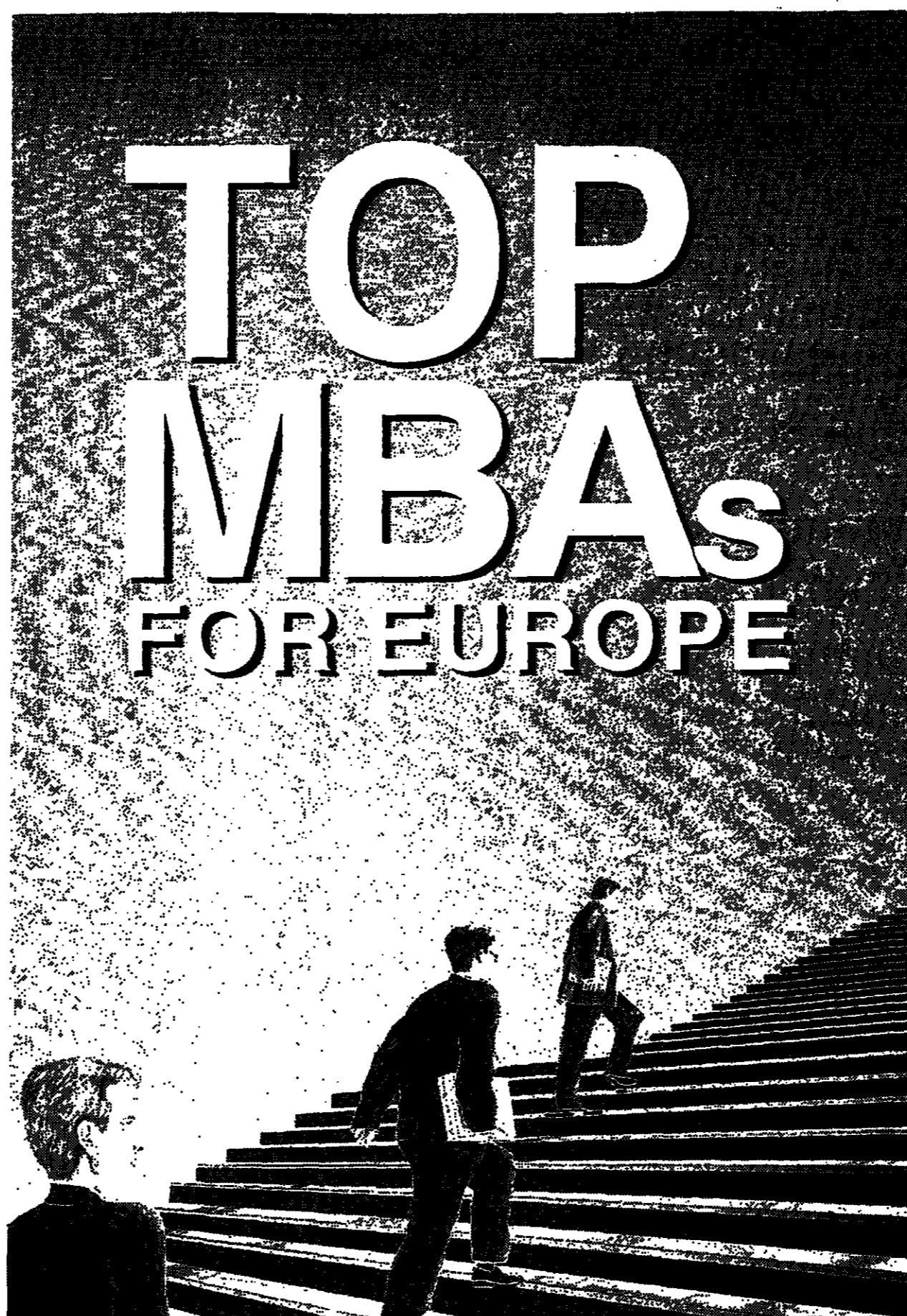
Starting in September 1996, ESC Grenoble is also launching a new MBA course jointly with Henley. This will be delivered in a modular form, and students will be able to follow the course either in classes on a part-time basis or through distance-learning techniques.

Additionally, the program involves a link-up with the Chambery business school, which has developed distance-learning expertise.

"Fewer and fewer people feel they can afford to leave their job for a year or more to follow a full-time course of study," says Judith Bourvard, MBA and MIB director at Grenoble.

Loughborough University in Britain provides a part-time MBA course for around 50 students. The university also runs a special consortium or corporate MBA for three specific companies – the Abbey National bank, Rolls Royce and Pearl Assurance.

"This is very attractive to participant companies, who are able to tailor the program to their requirements through a steering committee," says Loughborough MBA Director Neil Doherty. "We are now aiming to involve more companies in this course. From October next year, we are also planning to launch so-called 'badged' MBAs. These will



Getting to the top: While an MBA degree promised a big career leap in the 1980s, the advantages appear only over the medium term today.

link the general MBA qualification to specific sectors such as library management and recreational and leisure management."

Women wanted

Several European schools are making efforts to attract more women to their MBA courses. One example is provided by the Norwegian School of Economics and Business Administration. Last year, for instance, it introduced a special sponsorship campaign for women students in coordination with Norway's industry and small business federation.

"Often, women make better managers than men," says Mike Hall, director of studies for graduate programs at the Norwegian School. "Whereas, typically, male managers are concerned only with the result, women are more likely to give consideration to the consequences of the means used to get there. This latter approach is ever more important at a period when the management of human resources is a key element to corporate success."

Since management teams are considered essential in today's businesses, the dispensers of MBA programs are placing growing emphasis on group working by students. One example is provided by the Institut Supérieur des Affaires (ISA), which runs international MBA courses under the um-

brella of the Groupe HEC. On arrival, students are placed in small groups of four to six, mixing nationalities, ages, professions and personalities, and these teams then work on joint projects throughout the course.

Fundamental changes

According to Patrick Molle, MBA director at ESC Lyon, the whole approach to the traditional MBA program now requires fundamental remodeling. "At the beginning of the 1980s, MBA students could expect to use the course as a means of making a big career change in one leap, and they could look for a much larger salary and heightened responsibilities as soon as they graduated. Now they can expect the advantages of taking an MBA to appear only over the medium term."

"In the past, MBA programs could concentrate on providing basic general business instruction," Mr. Molle adds. "Against this background, we are aiming at refocusing our own MBA product around three key elements – first, a rapid refresher on major functional areas; second, a more in-depth study of the challenges facing management; and third, advanced studies tailored to the particular aims of each student."

Michael Rowe

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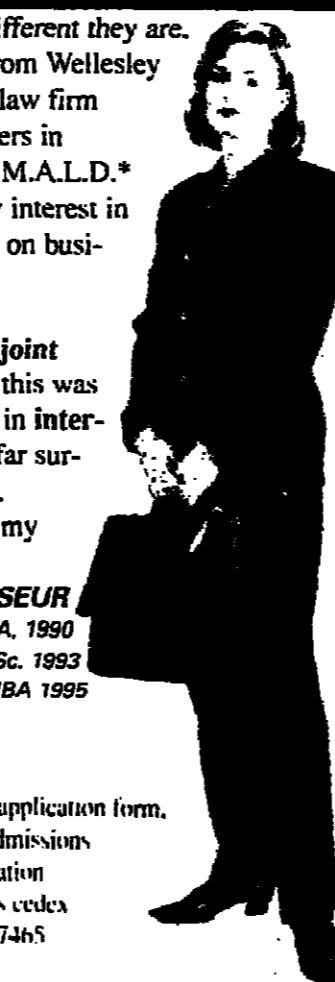
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BUSINESS COURSES GO INTERNATIONAL

MBA programs are reaching out to the world.

As they try to demonstrate that they are truly global in reach, Europe's top business schools are following different and varied cross-frontier highways. Stepping up efforts to peddle distance-learning packages, exploiting the Internet and the World Wide Web, launching joint projects and appealing to the emerging markets of Asia and Eastern Europe figure prominently in these moves.

At the same time, U.S. schools such as the University of Michigan Business School, the University of Chicago and Thunderbird have been establishing European branches. This coincides with efforts by European management centers to tempt Asian students with the prospect of a European business education as an alternative to U.S. offerings. "Twelve institutions, including our own, have joined together in a European partnership, which organizes annual tours of major capitals in the Asia-Pacific region," says Connie Tai at the Erasmus Graduate School of Business in Rotterdam.

Cross-border communities

The French-based INSEAD school boasts a Center for Advanced Learning Technologies (CALT). "We are using the possibilities offered by groupware such as Lotus Notes and the Internet to help build international learning communities," says Albert A. Angehrn, the center's director.

Kai Peters, MBA director at Erasmus, says: "Despite IT links, face-to-face interaction in the classroom will remain essential. We have been experimenting with videoconferencing, and we give all our students eight hours of access a month to the World Wide Web. Some of our professors are also working on ISDN applications with telecommunications authorities."

At INSEAD, CALT has developed a PC-based simulation product that allows course participants to enter a multinational corporation and discover by interacting with managers how the organization behaves and how the levers of decision-making can be manipulated.

"The range, depth and changing nature of the research and experience required to present international MBA courses mean that it has become impracticable for individual schools to operate in isolation," says Patrick Molle at ESC Lyon. "Inter-school networking is now a major focus of our attention. This involves exchange of professors, pooling of resources and the striking of strategic alliances." ESC Lyon, for example, has concluded such an alliance with Cranfield in Britain, Carnegie Mellon in the United States, HEC Montréal in Quebec, Canada, and ESADE in Barcelona.

"When it comes to promoting business education in Central and Eastern Europe, U.S. schools are most likely to set up a local branch of their institution," says Thierry Grange, associate director general of ESC Grenoble. "In contrast, European schools usually prefer to cooperate in providing assistance to local institutions." The availability of European Union funding under programs such as Phare and Taxis provides extra impetus to such cooperative efforts.

One example is a joint-venture MBA program set up in Saint Petersburg with the assistance of SDA Bocconi (Milan), Henley, ESADE and ESC Lyon. "Our aim was to train the trainers," says Philippe Albert, associate director general at ESC Lyon. "The program opens in January 1996, and it is targeting both Russian enterprises and Western joint ventures."

Red Army executives

ESC Grenoble has been involved in business-training exercises in Saint Petersburg, Minsk and Budapest. The second of these centered on converting some 2,000 Red Army officers to the joys of business management.

Under another project, ABN-Amro Bank in the Netherlands and the European Bank for Reconstruction and Development are providing low-interest loan funding for East European students following MBA programs in the West. "This will ultimately fund 100 such students a year," says Helen Henderson at INSEAD, which is participating in the scheme. IESE in Barcelona is also now on board, and a third school – preferably North American – is also being sought.

Distance-learning packages provide one of the most cost-effective ways by which schools can extend their international reach. So far, British institutions such as the Open University Business School and Henley have been leading the European pack in this field. Each of these claims around 6,000 MBA students around the world.

"We try to keep the technology relatively simple, to accommodate as many students around the world as possible," says Tony Stapleton, director for external affairs at the Open University Business School.

M.R.

TOP MBAs FOR EUROPE

MEET THE WORLD'S HIGH-FLYERS

For two heady days in January 1996, Europe's corporate recruiters will be able to meet hundreds of the world's most promising MBA graduates and students, all brought together in the same place.

"Top MBAs for Europe" is an innovative job fair scheduled to take place in Brussels, Belgium - the capital city of Europe - on Jan. 12 and 13. The event is organized by EMDS, a personnel-management consultancy specializing in the international recruitment of graduates and young professionals.

MBA students and recent MBA graduates from the best European and American business schools are invited to take part in the event.

Some 30 schools have been selected, all of them renowned names such as Chicago, Carnegie Mellon, INSEAD, London Business School, IMD, SDA Bocconi and Harvard.

Corporate recruiters wishing to conduct interviews can submit precise selection criteria - previous work experience, languages, nationality and so on - to the organizers in advance. EMDS will then arrange interview slots with the appropriate candidates.

Companies attending the event are also free to carry out unscheduled interviews on either a formal or informal basis as opportunities arise. In addition, participating businesses will be invited to make public presentations.

Among the more than 20 participating companies are Ericsson, General Motors, Allied Signal, GE Capital, Arthur Andersen, Instinet (Reuters), Intel, ABN-AMRO, Procter & Gamble, Ernst & Young, Arthur D. Little, Mercer Management Consulting and Corporate Decisions. Each company will be represented by recruiters from several European countries.

The organizers enjoy a firmly rooted reputation for hosting international job fairs. More than 100 of the world's top 500 multinational companies have recruited at previous EMDS events. For more information, contact EMDS in Brussels (fax: 322 646 7708).

M.R.

SCHOOLS CONSOLIDATE LINKS WITH BUSINESS

The partnership between schools and business, always close, is getting closer.

Many of Europe's top management institutions are state owned, founded and funded by chambers of commerce or local enterprises. Their ties to business are traditionally strong. But even private schools maintain tight links with companies - who are, after all, the ultimate end-users of business education.

In these troubled times, management schools keep their heads above water by adapting their full-time degrees and expanding executive courses. This is made possible by the constant dialogue between the boardroom and the classroom. Companies are not shy about decrying qualities lacking in their latest hires, and schools, wary of ivory-tower taint, take company criticisms to heart when devising new curricula. But the increased rate of change in the management arena, coupled with hotter competition, has made schools realize they need to get even closer to clients to sell their wares.

More involvement

"Companies are clamoring for more involvement," says Colin Carnall, director of programs at Henley Management College in England. "They even want to co-produce courses. They are looking for business schools to be design partners, not sales outlets." Gone are the days when companies leafed through the catalogue and purchased short seminars off-the-shelf. Consortia and corporate-specific, or tailored, courses are fast becoming the new deal. "Clients want more," Mr. Carnall says. "The needs for managers are more diverse than we thought."

Consortium training is one new way for schools to relate to customers. Several companies, usually in the same sector, get together, identify their needs, then work with the business school to conceive courses geared for and co-written by themselves. In Henley's case, the school becomes a clearing house for ideas or, as Mr. Carnall says, "a broker." The programs, meanwhile, become the property of the clients.

Accent on enterprises
Schools are siding up to companies in other ways. Audele Morel, director of corporate development at the International Institute for Management Development

in Lausanne, says her school is building more organizational needs into its programs. "Eighteen months ago, we asked companies: 'What type of people do you want to develop?' Now it is: 'What issues are you struggling with as an organization?'" The new accent on enterprises, she says, seeks to ensure that all courses benefit both the individuals taking them and the companies that send them.

Bonding like this is taking place across Europe, and it is a two-way street. INSEAD, the European Institute of Business Administration outside Paris, just launched a 700 million franc (\$140 million) campaign to finance its development, and a good part of the cash is coming from major companies who have endowed new chairs and faculty fellowships.

Corporate donors include Sandoz, Royal Dutch/Shell, The Timken Company and British Petroleum, as well as consultants S.G. Warburg, Arthur D. Little and The Boston Consulting Group. Their contributions so far total more than \$100 million.

Companies are eager to back business-school development. "It is not so much a question of tax break - they see a real responsibility," says INSEAD Dean Antonio Borges. Royal Dutch/Shell endowed three research and teaching appointments in business and the environment. "This research is critical to the generation of new management concepts and knowledge," says Lo C. Van Wachem, chairman of the supervisory board of the Royal Dutch/Shell group. The Timken Company, an Ohio-based steel producer, sponsored a new chair in Global Technology and Innovation - its first such sponsorship abroad. Timken, which funds three chairs worldwide (at Harvard, Stanford and now INSEAD), feels it has a duty to create a better all-round business environment. "Through these endowments, we can help educate people to lead our business, and also other businesses," says Jon Elsasser, managing director for Europe. "We cannot hire all the graduates, but we can help form a well-educated crop. They could be our suppliers or our customers."

Market changes

The drawing together of business schools with businesses is often spurred by changes in the market. Most corporate issues nowadays cut across disciplinary lines. Companies no longer face

strictly "financial" or "marketing" problems. This trend prompted one management institution to do a little blending itself. ESC Lyon is training 15 of its 85 full-time faculty members to be marketers.

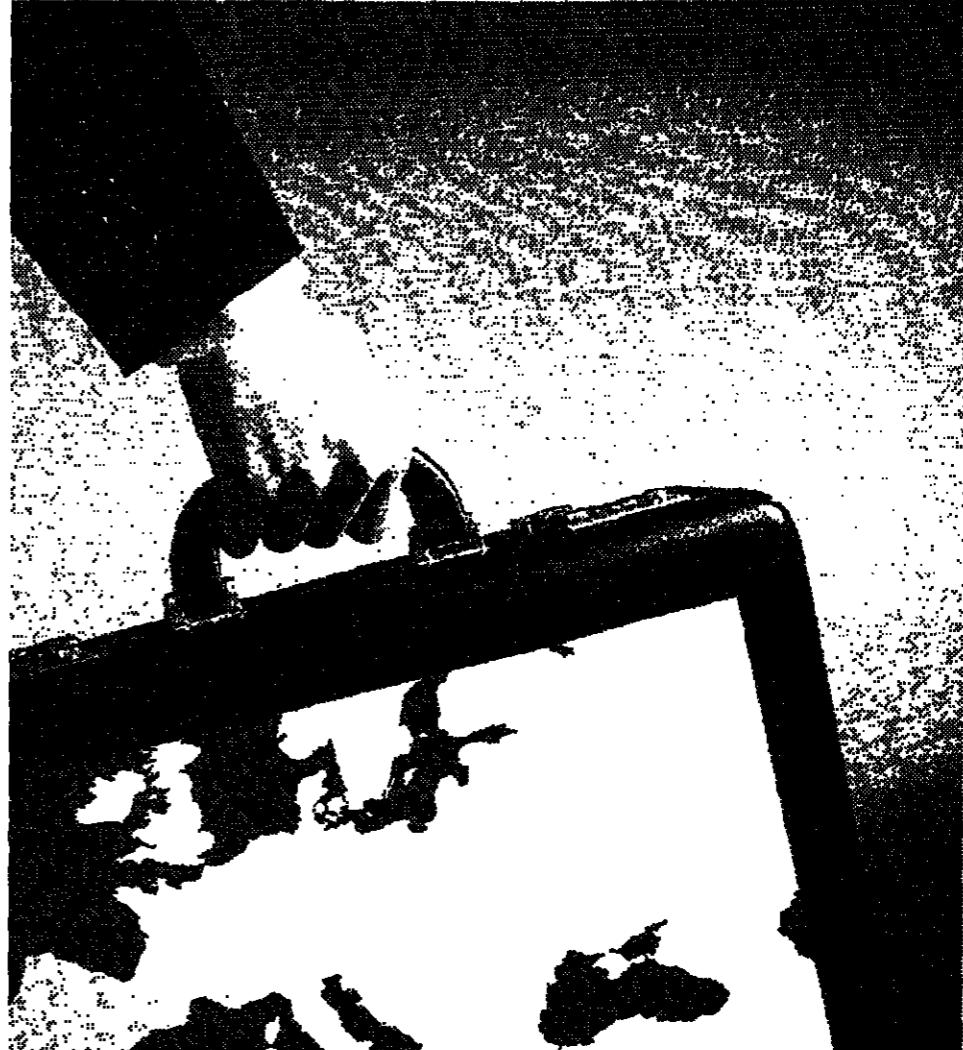
The school is developing a multidisciplinary teaching corps inside its halls to be able to better relate to what is happening off campus. Academics who can span the bridge into the commercial world will strengthen ESC Lyon's ties with companies who buy its company-tailored training programs, and help it maintain long-term links with key customers like Societe Generale, Bull and Kodak.

"Each professor's single expertise is not enough anymore," says Thierry Picq, a professor of human-resources management who is part of the pilot group. "We will be interfacing with companies who do not want answers to specific marketing or finance questions. They want to know about global issues like change or internationalization."

The course is designed to help professors, too. "It will get us out of our little worlds," Mr. Picq adds. "It is a good opportunity to get multidisciplinary approaches to company problems."

Bruno Dufour, ESC Lyon's director general, says: "There is no model for what we want to do, and it is bound to be hard. Woodrow Wilson, who was president of Princeton, once said: 'Moving a faculty is like moving a cemetery.'"

Joshua Jampol



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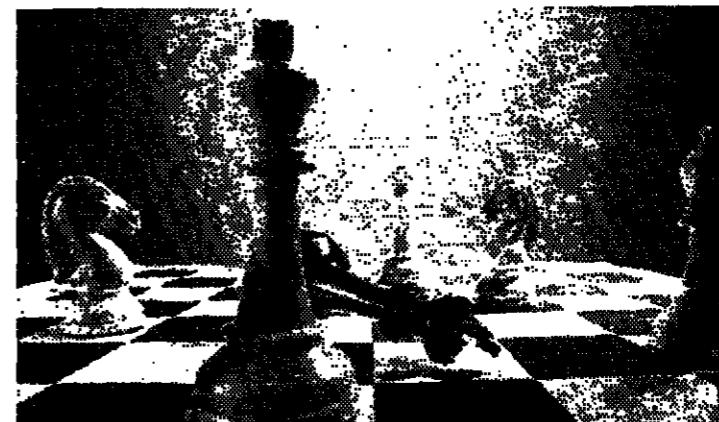
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SPORTS

Parma Works a Miracle In Cup Winners' Match

AC Milan Advances in UEFA

Compiled by Our Staff From Dispatches

Parma worked a near-miracle Thursday when the team bounced back from a three-goal deficit in its first-leg match and beat Halmstad, 4-0, to advance to the quarterfinals of the European Cup Winners' Cup.

Parma, humiliated 3-0 by the Swedish team two weeks ago in Gothenburg, started brilliantly when striker Filippo Inzaghi fired home a shot to give the UEFA Cup holders a 1-0 lead in the first minute, and Dino Baggio made it 2-0 in the 38th.

A second-half free kick by Hristo Stoichkov and an own-goal by Tony Andersson meant that Parma became only the second Italian team to make up a 3-0 deficit in a European Cup event.

In December 1990, Bologna beat Austria's Admira Wacker in a penalty shoot-out after losing the first leg 3-0.

"I can only thank my players, they were truly stupendous," Parma's coach, Nevio Scala, said after the second-round victory.

The Swedes, without the suspended international Niklas Guindmundson, who scored twice in the first leg, forced goalkeeper Luca Bucci to intervene on a half-dozen other occasions, the last time saving well from Anders Smith on the counterattack in the 80th minute.

Paris Saint-Germain 3, Glasgow Celtic 0: Two goals in a six-minute span shortly before halftime by Patrice Loko and a third midway through the second half by a substitute, Pascal Nouma, gave the French team a convincing 4-0 victory on aggregate to propel them into the quarterfinals.

Celtic started confidently but PSG took control of the game with Rai, a Brazilian, dominating in midfield, and he was unlucky not to cap his outstanding performance with a goal late in the game when he too casually tried to flick the ball over goalkeeper Gordon Marshall, who parried his shot.

Feyenoord Rotterdam 1, Everton 0: Regi Blinder unleashed another broadside to English clubs in Europe as his goal knocked out visiting Everton from the second round.

Blinder's 40th minute goal knocked the Merseyside club out of European competition — the same fate as UEFA Cup hopefuls Nottingham Forest and Liverpool, plus European Cup challengers Blackburn earlier in the week.

Real Zaragoza 1, Bruges 0: In Bruges, Belgium, striker Dani Garcia scored in the 90th minute and moved Real Zaragoza comfortably into the quarterfinals. Garcia took advantage of an error in the Bruges defense to



Fabrizio Ravanelli beats Glasgow Rangers goalie Billy Thomson for Juventus' third goal on Wednesday.

pick up a Fernando Morientes cross and run the ball into an open net to give the Spanish team, 2-1 winners in the home leg, a 3-1 aggregate victory.

The Belgian team, which attacked for most of the match, came close in the 17th minute when Stephan Van der Heyden leapt to the rebound of a header by Robert Spehar, but his hard drive went over the open goal.

In a rare Spanish counterattack, forward Sergio Berti's five-meter shot in the 19th minute was only just blocked

by defender Vital Borkelmans. The Belgians continued to dominate in the second half and had their best chance in the 48th minute.

Borussia Moenchengladbach 1, AEK Athens 0: Stefan Effenberg scored in the 70th minute to give the visiting German team a victory over Athens and a 5-1 lead on aggregate.

Spartak Hradec Králové 1, Dynamo Moscow 0: The Russian team advances, defeating the Czech team, 3-1, on penalties after a 1-1 aggregate.

Rapid Vienna 4, Sporting Lisbon 0: In Vienna, Dietmar Kuehne scored in the 24th minute and Triton Ivanov in the 90th during the regularization time, with Christian Stumpf and Carsten Jancker adding goals during injury time.

In a second-round, second-leg UEFA match in Milan:

Roberto Baggio lifted AC Milan to a 2-1 victory over Strasbourg. Milan won 3-1 on aggregate to join the final 16 in the third round.

Prosecution Rests, And King Is Quiet

By Richard Sandomir
New York Times Service

NEW YORK — The fraud trial can hush a man. Even Don King, his bluster has been muted as prosecutors in Courtroom D of the U.S. Courthouse in Manhattan try to prove the flashy promoter bilked Lloyd's of London.

"It's a great country," King responds to inquiries about his state of mind.

The prosecution has rested, and the defense attorney, Peter Fleming Jr., must counter a case that is more circumstantial than absolute. No witness has testified that King altered Julio Cesar Chavez's contract for a 1991 fight to recover \$350,000 in non-refundable training expenses. Chavez testified that he never saw the rider and never received the money. Nor did King credit the recovery to Chavez's debts to him.

John Ryan, a forensic accountant, said he examined 1,400 King boxing contracts, and no other contained a similar "nonrefundable" clause.

A handwriting expert, Gus Lesnevich Jr., testified that Chavez's signature on the \$2 million contract was identical to one on the \$1.5 million contract, a physical impossibility that lent credence to the accusation that a new first page of the contract, with the rider, was attached to a second page from an earlier document.

The case against includes:

Chang to Battle Courier

Compiled by Our Staff From Dispatches

PARIS — Michael Chang will alive his hopes of becoming the first player to win both the French Open and the Paris Open with a hard-fought 2-6, 6-3, 7-5 victory over Andrei Medvedev, of Ukraine, in the third round of the Paris Open on Thursday.

Chang, the fourth seed, who was 17 when he won his first grand slam title on the clay courts of Roland Garros in 1989, needed three sets and 142 minutes to reach the quarterfinals of the indoor tournament.

Medvedev, the 13th seed, took the first set but Chang broke him in the second to open up a 4-2 lead and went on to take the set, 6-3.

The third set was a tense battle with Medvedev leading 5-3 and serving for the match. Medvedev threw his racket in anger when he was broken again as Chang took a 6-5 lead. In the last game, Medvedev earned two break points but wasted both chances before hitting a return into the net on match point.

Chang will meet former world No. 1 Jim Courier, the sixth seed, who cruised to an easy 6-3, 6-4 victory over 11th seed Magnus Larsson of Sweden.

Pete Sampras, who will reach the No. 1 ranking in the world next week, defeated Jan Siemerink of the Netherlands, 6-3, 6-4.

Boris Becker, a three-time Paris Open champion, rallied from a 3-0 deficit in the final set to beat Todd Martin, 6-4, 4-6, 7-6 (7-1), 7-6 (7-3).

Eighth-seeded Sergi Bruguera went out as ninth-seeded Wayne Ferreira of South Africa defeated him, 2-6, 6-3, 7-6 (7-3), and Daniel Vacek of the Czech Republic advanced when Guy Forget of France withdrew in the first set.

(AP, AP, Reuters)

5. Becker came back from a break down in the third set but came back to tie it at 3-3. Becker broke Marin's serve in the 11th game and served out the match, winning on his fourth match point with his 13th ace.

Richard Krajicek eliminated

Paul Haarhuis, 6-4, 6-2, in an

Dutch match, and Jakob Hlasek

edged fellow Swede Marc Ros

set, a finalist last year, 2-6, 7-6 (7-1), 7-6 (7-3).

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first set.

(AP, AP, Reuters)

■ Young Venus Rises

Venus Williams earned the title of phenom Wednesday night when she upset fifth-seeded Amy Frazier, 4-6, 6-3, 6-3, in the second round of the Bank of the West Classic, Reuters reported from Oakland, California.

The victory over the 18th-ranked Frazier marked the first top-20 scalp for the 15-year-old, in her brief, four-tournament career as a professional. "I already ready that I was at that level," said Williams.

The hard-hitting Frazier dictated the first set from the baseline. But behind a powerful slice, first serve and devastating two-fisted backhand, the 6-foot-2 inch (1.88 meter) Williams overpowered her foe, in the second and third sets.

SCOREBOARD

HOCKEY

NHL Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	T	Pts	GF	GA
Philadelphia	7	7	3	17	42	52
Washington	8	3	0	16	25	35
New Jersey	7	4	1	14	43	32
Florida	6	5	0	12	29	43
Tampa Bay	2	5	4	8	27	42
Montreal	4	6	1	12	25	35
Pittsburgh	6	5	2	12	24	35
Offense	5	5	0	10	29	35
Hartford	4	4	1	9	25	35
Buffalo	4	4	1	9	25	35
Boston	3	5	0	8	23	35

Northwest Division

	W	L	T	Pts	GF	GA
Montreal	1	0	0	3	12	21
Pittsburgh	1	0	0	3	12	21
Offense	1	0	0	3	12	21
Hartford	1	0	0	3	12	21
Buffalo	1	0	0	3	12	21
Boston	1	0	0	3	12	21

WESTERN CONFERENCE

Central Division

	W	L	T	Pts	GF	GA
Chicago	6	5	2	14	41	52
Winnipeg	6	5	2	14	41	52
Dallas	5	5	2	12	38	43
Edmonton	5	5	2	12	38	43
Toronto	5	5	1	11	33	36
St. Louis	5	6	1	11	33	36

Pacific Division

Central Division

Western Division

Northwest Division

Central Division

9 Years Later, Portland Gets Its Man

Trailblazers Count on Sabonis to Be Worth the Wait

By Tom Friend
New York Times Service

PORTRLAND, Oregon — His car is American, his career has been Bohemian and his thirst is from another world. Arvydas Sabonis — recruited to the National Basketball Association by congressmen, senators, secretaries of state and the Portland Trail Blazers — finished his first two-a-day practice this month, perspired in Niagara Falls proportions and was asked if he required water.

"Beer," he said.

Sabonis has won an Olympic gold medal for the Soviet Union, a European title for Real Madrid but nothing for the people who have chased him for nine years.

The Trail Blazers drafted him No. 1 in 1986, nursed his ruptured Achilles' tendon in 1988, created a 200-page file on him, begged Mikhail S. Gorbachev to set him free and only now have his signature on a \$3 million contract.

His right leg could go on strike at any moment, but the Blazers gave Sabonis a flu shot after their final preseason game because they have plans for his winter, starting Friday, the first

day of the NBA season, against the Vancouver Grizzlies.

"We've been after him so long," the team's president, Bob Whitsitt, said, "the whole league thinks he's 40 years old."

Sabonis is actually 30, 7 feet 3 inches tall, 300 pounds (2.2 meters and 135 kilograms) and is scheduled to play 20 to 24 intelligent minutes an evening off the bench. He has the shot of an off-guard, the eyes of a point guard, the body of a Hercules but the mobility of a statue.

The slowest center in the league is Washington's 7-foot-7 Gheorghe Muresan, and Sabonis' Portland teammate, Harvey Grant, chuckled and said, "Like to see them two go."

One on one? "If they played half court, it'd be a good game," Grant said. "If full court, it'd be an eight-hour game."

But a decade ago — before his right knee, ankle and Achilles' tendon began carrying picker signs — Sabonis might have run laps around Patrick Ewing.

"That guy, without his injuries, would have been better than David Robinson," said Dino Radja, the Boston Celtics' forward by way of Croatia.

"Believe me, he was that good. Know him long time. In 1985, he was a beast. He ran the floor like Ralph Sampson. Could shoot the three, dunk. He would have been an NBA all-star 10 years in a row. It's true. I tell you."

Sabonis was raised in Lithuania by his father, a tailor, and his mother, a bookkeeper, but he inherited height from his 6-foot-7 grandfather who never once played basketball.

"He played poker," Sabonis said.

"Well," said Whitsitt, "that explains Arvydas's good hands."

But once the Soviet coach, Alexander Gomelsky, got his clutches on the teenaged Sabonis, he was not letting go. At the urging of then-owner Larry Weinberg, Portland drafted Sabonis 24th overall in 1986 and then spent years sweet-talking the Kremlin.

Harley Frankel, then a Blazers executive, said that Alan Cranston, then a senator from California, Representative Ron Wyden of Portland and two secretaries of state even served as emissaries on their behalf.

"Gorbachev wanted to improve relations with the U.S.,"

Frankel said, "so we wanted him to see if it was in his best interest to have a Russian as the starting center on the NBA championship team."

But Gomelsky, Blazer officials said, wanted as much as \$200,000 simply to open discussions, and Sabonis said this week, "When I was young, too much politics in my country."

Eventually, there was too much strain on his Achilles' tendon. He tore it while running upstairs for a ringing phone, and only then — before the 1988 Olympics — were Soviet officials willing to let Sabonis go to Portland for treatment.

Sabonis spent three months in Portland, marveled at supermarket, earned an American driver's license and left with no spending tickets. At the ensuing Olympics in Seoul, South Korea, he dunked on a skinny neophyte named David Robinson but then shockingly signed to play in Spain.

Stress fractures and knee problems over the next half decade soiled his confidence to compete in the NBA until, this summer, the Trail Blazers went recruiting him one last time.

Whitsitt flew to Spain, found Sabonis and his wife, Ingrida, a



Arvydas Sabonis in command for Real Madrid. On Friday he starts his NBA career at 30.

former Miss Lithuania, to be engaging hosts, and a deal was actually sealed in a matter of five days.

"If not NBA now, never," said Sabonis, who turns 31 in December. "Last chance."

The NBA lockout delayed the signing, but on the day Sabonis finally arrived in Portland, Whitsitt assigned the assistant general manager, Jim Paxson, as the center's confidant. The two of them intended to shop for a home, but Sabonis

kept saying "Jeep, Jeep" and "Crysler, Chrysler." He wanted an American car with legroom — or else.

Sabonis is learning about local cuisine — "Ribs," he said,

"America's famous ribs" — and is still studying his teammates' card games. Winning them over was actually quite easy. He tossed his first blindfold in the back pass in practice, and Coach P.J. Carlesimo remembered the entire team going,

"Whoa!"

His teammates do not speak a word of Lithuanian but Sabonis' secret is that during his decade as a Blazer recruit he learned quite a bit of English.

"So, you like beer?" Grant asked him the other day.

"Who don't?" Sabonis said.

NBA Will Open With Sub Refs

New York Times Service

The NBA expects to be without its regular referees when the season opens Friday after the union rejected the league's latest proposal to end the lockout Wednesday.

The union planned to submit a counterproposal Thursday.

Two-man crews from the Continental Basketball Association and the collegiate ranks will continue to officiate, in spite of many complaints from players during the preseason.

Mourning Missing

Alonzo Mourning failed to attend one of the Charlotte Hornets' practices Wednesday, intensifying speculation that the club will trade him rather than give him what he wants: a seven-year contract for about \$13 million a year.

Under terms of the new collective bargaining agreement, teams are no longer able to offer players under contract lucrative balloon payments like the one signed four years ago that will earn Patrick Ewing more than \$18 million this season from the Knicks.

(AP)

NBA Western Conference Preview, team-by-team, in predicted order of finish. Clifton Brown looks ahead to the season that starts tonight.

ATLANTIC DIVISION

SAN ANTONIO SPURS
LAST SEASON 62-20. Won division, lost to Houston in West finals.

NEW FACES Cadillac Anderson, F-C, 6-10; Carl Herron, F, 6-8; Brad Lohaus, F-C, 6-11; Will Pardus, C, 7-0; Del Demps, G, 6-8; Cory Alexander, G, 6-1.

OUTLOOK Dennis Rodman's distractions will not be missed. His rebounding and defense will be. But the Spurs have brought in Veterans Herrera, Anderson, and Pardus to pick up slack. Robinson, last year's regular-season m.v.p., is determined to carry Spurs to finals. They'll make another serious run.

HOUSTON ROCKETS
LAST SEASON 47-35. Won second consecutive championship.

New faces: Mark Bryant, F-C, 6-8; Eldridge Roachman, G, 5-3.

OUTLOOK It hardly matters how Rockets play during regular season. Nobody will want them in playoffs. Injury-plagued pre-season shouldn't slow Hakeem Olajuwon, who became the game's best player. Having Clyde Drexler for full season improves the team. Character, intent, and Rudy Tomjanovich's leadership creates solid chance to three-peat.

UTAH JAZZ
LAST SEASON 60-22, lost to Houston in first round.

NEW FACES Howard Ealey, G, 6-3; Greg Foster, F-C, 6-11; Chris Morris, F, 6-8; Greg Ostertag, C, 7-0.

OUTLOOK Karl Malone and John Stockton guarantee Utah another strong regular season. Jeff Hornacek leads a strong supporting cast, and no team executes better. But Fatton Spencer is still out with his Achilles' injury. Will David Benoit, Byron Russell, Adam Keefe and Morris supply enough support to bring Utah its first title? Probably not.

DENVER NUGGETS
LAST SEASON 41-41, lost to Spurs in first round.

NEW FACES Antonio McDyess, F, 6-8; Elmore Spencer, C, 7-0; Randy Woods, G, 6-0.

OUTLOOK A good team that got better with draft-day trade for McDyess, who has talent to be rookie of the year. Nobody blocks shots like Dikembe Mutombo. A key will be how well LaPhonso Ellis recovers from knee surgery.

DALLAS MAVERICKS
LAST SEASON 36-46. Missed playoffs.

NEW FACES Loren Meyer, C, 6-10; Channing Billups, C, 5-10.

OUTLOOK A starting lineup with three potential All-Stars — Jim Jackson, Jason Mashburn, and Jason Kidd. In the East, this is a playoff team. But in the Wild West, the Mavericks will fall short.

CENTRAL DIVISION

ATLANTA HAWKS
LAST SEASON 21-61. Missed playoffs.

NEW FACES Jerome Allen, G, 6-4; Mark Davis, G, 6-7; Marques Bragg, F, 6-11; Sam Mitchell, F, 6-7; Terry Porter, G, 6-3; Eric Ray, G, 7-0.

OUTLOOK Front office, led by Kevin McHale, has cleaned house. It's hoped that Porter and Mitchell will help Ishak Rader and Christian Laettner become better leaders. Garnett, the 19-year-old rookie, is expected to average 15 to 20 minutes.

VANCOUVER GRIZZLIES
FIRST SEASON

NEW FACES Greg Anthony, G, 6-1; Benoit Benjamin, C, 7-0; Bill Edwards, G, 6-10; Steve Estabrook, F, 6-7; Kenny Garrison, F, 6-8; Antonio Harvey, F, 6-10; Kevin Pittman, G, 6-10; Bryant Reeves, C, 7-0; Byron Scott, G, 6-4; Gerald Wilkins, G, 6-7; Chris King, F, 6-8; Brian Winters (coach).

OUTLOOK Excitement created by new team in vibrant city will make difficult season easier to take. A typical expansion year, which means 15 to 20 victories tops.

PHOENIX SUNS
LAST SEASON 57-25. Lost to Los Angeles Lakers in first round.

NEW FACES Frank Brickowski, F-C, 6-9; Shon Ford, F, 6-6; Horace Hawkins, G, 6-3; David Wright, G, 6-5.

OUTLOOK Another first-round playoff collapse forced Suns to address chemistry issues. George Karl's job depends on Penny. Steve Kerr and Gary Payton are great players, but can they be great leaders? Detlef Schrempf gives Sonics three All-Star starters. If they get past first round, look out.

SEATTLE SUPERSONICS
LAST SEASON 57-25. Won division, lost to Houston in second round.

NEW FACES Frank Brickowski, F-C, 6-9; Steve Estabrook, F, 6-7; Kenny Garrison, F, 6-8; Antonio Harvey, F, 6-10; Kevin Pittman, G, 6-10; Bryant Reeves, C, 7-0; Byron Scott, G, 6-4; Gerald Wilkins, G, 6-7; Chris King, F, 6-8; Brian Winters (coach).

OUTLOOK After losing to Portland three consecutive years, this may be last chance for Charles Barkley and Kevin Johnson. Rollie Massie is getting bigger, trading Dan Majerle for Williams. Danny Manning expected back from knee surgery in January. Suns will be in the hunt.

LOS ANGELES LAKERS
LAST SEASON 48-34, lost to Spurs in second round.

NEW FACES Cane Blount, G, 6-10; Fred Roberts, F, 6-10; Frankie King, G, 6-11; Derek Strong, F, 6-8.

OUTLOOK A solid team. Nick Van Exel has All-Star games in his future, while Cedric Ceballos and Eddie Jones provide exciting offense at point guard. Steve Kerr is a good find. Del Harris is an excellent coach and Jerry West keeps making great moves. Lakers may be in the finals soon, but it won't happen this year.

PREDICTIONS

Eastern Conference finals

Orlando over Chicago

Western Conference finals

San Antonio over Houston

N.B.A. champion

Orlando

The New York Times

GOLDEN STATE WARRIORS

LAST SEASON 26-56. Missed playoffs.

NEW FACES Rick Adelman (coach); B. J. Armstrong, G, 6-2; Jon Barry, G, 6-4; Jerome Kersey, G, 6-7; Steve Smith, F-C, 6-8.

OUTLOOK After a year of injuries and dissension, a change of ownership. Tim Hardaway and Latrell Sprewell have ended feud, and Armstrong will try to stay healthy. No. 1 pick Smith will take load off center Ronny Seikaly.

SACRAMENTO KINGS
LAST SEASON 39-43. Missed playoffs.

NEW FACES Tyrone Corbin, F, 6-6; Tyus Edney, G, 6-10; Bryan Houston, G, 6-5; Marques McJunkin, G, 6-5; Corliss Williamson, F, 6-7.

OUTLOOK Improved team, but may not show in standings. Matt Rethorn's the best shooting guard in the league. Jason Williams, with Williams, and Aaron Miles, Sprewell's 20-year-old son from Lithuania, is a solid scorer who will help Chris Dudley at center. But not enough here to threaten in West.

PORTRLAND TRAIL BLAZERS
LAST SEASON 44-38. Lost to Suns in first round.

NEW FACES Randolph Chaisson, G, 6-2; Bill Curley, F, 6-7; Arvydas Sabonis, G, 6-10; Reggie Smith, F, 6-7; Gary Trent, F, 6-8; Dominique Wilkins, F, 6-8.

OUTLOOK After losing to Portland three consecutive years, this may be last chance for Charles Barkley and Kevin Johnson. Rollie Massie is getting bigger, trading Dan Majerle for Williams. Danny Manning expected back from knee surgery in January. Suns will be in the hunt.

LOS ANGELES CLIPPERS
LAST SEASON 17-65.

NEW FACES Brent Barry, G, 6-6; Rodney Rogers, F, 6-7; Keith Toller, G, 6-11; Brian Williams, C, 6-11.

OUTLOOK Much brighter than last season. Lay Vaught, Lamont Murray and Markie Smith should continue to raise their games. Williams will start at center. Steve Kerr is a good find. Murphy must help Terry Dobre in backcourt until the injured Poch Richardson returns. A dynasty in the making? Not. But Bill Fitch and crew should be more competitive.

PREDICTIONS

Eastern Conference finals

Orlando over Chicago

Western Conference finals

San Antonio over Houston

N.B.A. champion

Orlando

The New York Times

NHL ROUNDUP

Lemieux has recorded six assists in one game. The NHL record is seven, which Wayne Gretzky did three times.

Lemieux has 10 goals and 17 assists in just eight games this season.

OBSERVER

Bad Guys From D.C.

By Russell Baker

NEW YORK — Little Old Lady is inside her comfy home. Little does she realize what trouble has just ridden into town. No, it's not the Clantons, not the Daltons, not even the James brothers.

It's none of those over-the-hill horse-borne trouble-bringers that used to tickle Granddad — her late husband — in Saturday afternoon double features at the Capitol Theater, which later became a Pentecostal church before being flattened for a bowling alley, which was later knocked down for shops that sell T-shirts with witty sayings.

Funny now to think of Granddad paying his 10 cents admission, then sitting there with his nickel box of Jujubes.

Well of course, Granddad wasn't so old then, except in spirit. That's because color movies hadn't come along yet, much less television, even of the antique black-and-white kind.

Which, much as we have to leave that Old West down at the doomed Capitol Theater, brings us back to the subject: Little Old Lady in comfy home is starring in this new television commercial. Full color. Expensive set.

□

We are talking a very polished TV commercial. Very up-to-date. You can tell at a glance that high-stakes advertising is going on. The action moves so fast that without several viewings it's hard to grasp the plot.

Your correspondent here saw Little Old Lady responding to a commotion at her front door.

She peers out, which isn't easy. She's such a little Little Old Lady. What she sees out there is trouble. A mess of trouble. How do we know this? Guy leaning on the little old front door tells us flat out. "We're from Washington," he says.

New York Times Service

WEATHER

Europe

Forecast for Saturday through Monday, as provided by Accu-Weather.



North America

Coldest winds blowing from the Midwest to the East this weekend. Locally heavy snow will occur near the Great Lakes, but it will be dry elsewhere. Cool air will move from Monday to northern Canada to southern Monday. Germany to northern Italy will be cold with turning milder by Monday. Showers will dampen Seattle and Portland.

Middle East

Clouds will move from the Mediterranean to the Black Sea. Most areas will be turning milder by Monday.

Africa

Clouds will move from the Mediterranean to the Black Sea. Most areas will be turning milder by Monday.

Asia

Clouds will move from the Mediterranean to the Black Sea. Most areas will be turning milder by Monday.

Oceania

Clouds will move from the Mediterranean to the Black Sea. Most areas will be turning milder by Monday.

Legends: -unseen, -partly cloudy, -cloudy, -showers, -thunderstorms, -rain, -sleet, -hail, -snow, -sleet, -rain, -sleet, -hail, -snow, -hail, -weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1995

Asia

	Today	High	Low	W	Tomorrow	High	Low	W	Wednesday	High	Low	W
	Temp	Wind	Wind	Wind	Temp	Wind	Wind	Wind	Temp	Wind	Wind	Wind
Bangkok	30/86	25/77	1	10/84	24/75	1	10/84	1	30/86	24/75	1	10/84
Beijing	18/64	5/41	1	10/64	18/64	1	10/64	1	18/64	5/41	1	10/64
Hong Kong	23/84	25/77	1	20/85	25/77	1	20/85	1	23/84	25/77	1	20/85
India	35/95	14/57	1	35/95	15/59	1	35/95	1	35/95	14/57	1	35/95
Indonesia	7/15	5/25	1	3/27	5/25	1	3/27	1	7/15	5/25	1	3/27
Iran	2/05	1/31	1	2/05	2/05	1	2/05	1	2/05	1/31	1	2/05
Israel	6/48	3/27	1	6/48	5/41	1	6/48	1	6/48	3/27	1	6/48
Japan	17/82	10/81	1	17/82	10/81	1	17/82	1	17/82	10/81	1	17/82
Korea	10/50	3/27	1	10/50	4/54	1	10/50	1	10/50	3/27	1	10/50
Morocco	12/53	5/27	1	12/53	5/27	1	12/53	1	12/53	5/27	1	12/53
Myanmar	22/71	10/81	1	22/71	10/81	1	22/71	1	22/71	10/81	1	22/71
Costa Rica	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Colombia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Uruguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Argentina	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Argentina	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Peru	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Paraguay	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Bolivia	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Chile	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50
Ecuador	10/50	2/05	1	10/50	2/05	1	10/50	1	10/50	2/05	1	10/50